

CHAPIN

Social Justification
of Advertising

Economics

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SOCIAL JUSTIFICATION OF ADVERTISING

BY

GEORGE CHAPIN

THESIS FOR THE DEGREE OF BACHELOR OF ARTS

IN THE

COLLEGE OF LITERATURE AND ARTS

OF THE

UNIVERSITY OF ILLINOIS

MAY 1906

UNIVERSITY OF ILLINOIS

June 1, 1906.

THIS IS TO CERTIFY THAT THE THESIS PREPARED UNDER MY SUPERVISION BY

GEORGE CHAPIN

ENTITLED SOCIAL JUSTIFICATION OF ADVERTISING

IS APPROVED BY ME AS FULFILLING THIS PART OF THE REQUIREMENTS FOR THE DEGREE
OF BACHELOR OF ARTS in the COLLEGE OF LITERATURE AND ARTS.

David Kinley
H.A.W.

HEAD OF DEPARTMENT OF Economics.



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Yale Review.

S O C I A L J U S T I F I C A T I O N

O F A D V E R T I S I N G .

P A R T I .

I N T R O D U C T I O N .

Prof J. B. Clark and other leading economists express the belief that distribution is the last factor in the process of production. In production they would treat the cost of raw materials, the wages of the laborers, the salaries and profits of the business managers, superintendents and entrepreneurs, the expense of equipment and maintenance, the real cost of production, the general expenses, and finally the cost of disposal or distribution. Transportation and shipping facilities enable the producer to enter the world's markets and to dispose of his goods by means of agents, such as retail and wholesale men, by direct correspondence and commercial men, and finally by advertising.

The gradual replacement of primitive methods of production and consumption by the highly complex system of the present age, has made it absolutely necessary for the producer to inform the consumer about the goods he has to sell. As distribution is the last factor in production, so advertising is the last and one of the most important essential factors of distribution.

In defining advertising writers have given a wide, variable, yet often comprehensive and instructive meaning to the term. For the purposes of this thesis advertising is defined as the

diffusion of information about sales-goods, which information involuntarily and unconsciously influences and educates consumers to prefer both the advertiser's^{1 2} business personality and his products. Successful advertising must accomplish two things; it must create and sustain a demand for the goods advertised, and it must, by creating a prestige, tend to insure the advertiser against competition.

In order to create and sustain a demand for the goods advertised and to obtain insurance against competition, it is variously estimated by leading advertising authorities that a sum between \$100,000,000 and \$1,000,000,000 is expended annually in the United States.

DEVELOPMENT IN ADVERTISING.

The foundation for this great expenditure for advertising dates back to a period between 1500 and 1000 . C., when announcements upon obelisks, pillars, pylons, temples and the Egyptian pyramids, in addition to those written upon papyrus, very closely resembled announcements of the present time. The residents of Greece, Oriental countries Pompeii and Rome; cultivated publicity in a manner that would class them with the best advertisers of today. They laid the foundation for the modern street designs, posters, signs and bill-boards. Only slight progress was made from that time until the discovery of type in the first half of the fifteenth century, and even in the time of Columbus, advertising signs were among the more popular methods of publicity.

The invention of type was the occasion for the establishment of newspapers in the latter part of the fifteenth century. Newspapers were first published in Germany, but by the middle of the seventeenth century they also appeared in England, Holland, and France, and forty years later America and other countries could boast of newspapers of limited circulation. In size the early newspapers were scarcely larger than the small hand-bills of today.

The ignorance of the people prevented the publisher from reaping much benefit from advertising in the newspapers of that time, but growing intelligence and industrial progress resulted in the development of modern advertising in England and Holland, which were the leading industrial countries of the seventeenth century.

The desire to stimulate new wants and to create a demand for these innumerable commodities, with which to satisfy them increased the value of newspapers as advertising media. Their importance, however, was not commonly realized before 1850.

It remained for the publisher, the publisher of the first strictly modern magazine, the old Scribner's, established in 1870, to popularize the rise of advertising as a business proposition. This magazine accepted and solicited advertisements, which, compared with those of today, appear outlandish and almost disgraceful. The doctrine preached by Scribner's bore fruit rapidly and twenty-five years ago many business men were converted to advertising. Since then the realization of the necessity of publicity as a part of modern commercial organization has led to an increase in the number and kinds of media used. The period was characterized by great progress in advertising and was also marked by improvement in methods. Large display type, and the elaborate ornamentation, so prevalent now, have developed since 1880. In that year a clothing advertiser used crude "cuts" and illustrations. Only since that period have pictorial advertisements appeared in modern form and assisted in the creation of comprehensive, interesting and business-like media of publicity.

The industrial changes of the nineteenth century, which revolutionized production and created innumerable hitherto undreamed of commodities, stimulated new wants and enabled advertising to assume its present importance as a commercial factor.

Newspapers, magazines and other periodicals absorb about

seventy-five per cent. of the total expenditure for advertising. The following charts will suggest the development of these publications, whose advertising columns have increased in number and quality with the increase in the number and size of the publications. *

K I N D S O F A D V E R T I S I N G .

The discussion of the expenditure and progress in advertising leads to a consideration of the kinds of advertising. Various writers have adopted numerous classifications. The writer for the purpose of this thesis has decided upon a new classification, which divides the media of advertising into four groups. The new division is as follows: (1) Distributive, (2) Stationary, (3) Personal and (4) Indirect advertising.

The first division is by far the most important, and estimates of expenditures for this part of the appropriation are usually from seventy-five to eighty-five per cent. of the total. Under this division the author primarily considers: Newspapers, and magazines, the two most important media for publicity purposes.

This class also includes trade and technical journals, catalogues and booklets, circulars, leaflets, form-letters, envelopes, almanacs, hand-bills, samples, novelties, calendars program and score cards, business and political cards, blotters, advertising fans, picture cards, post cards, telegrams, coupons, books and wrapping paper.



TWELFTH CENSUS STATISTICS

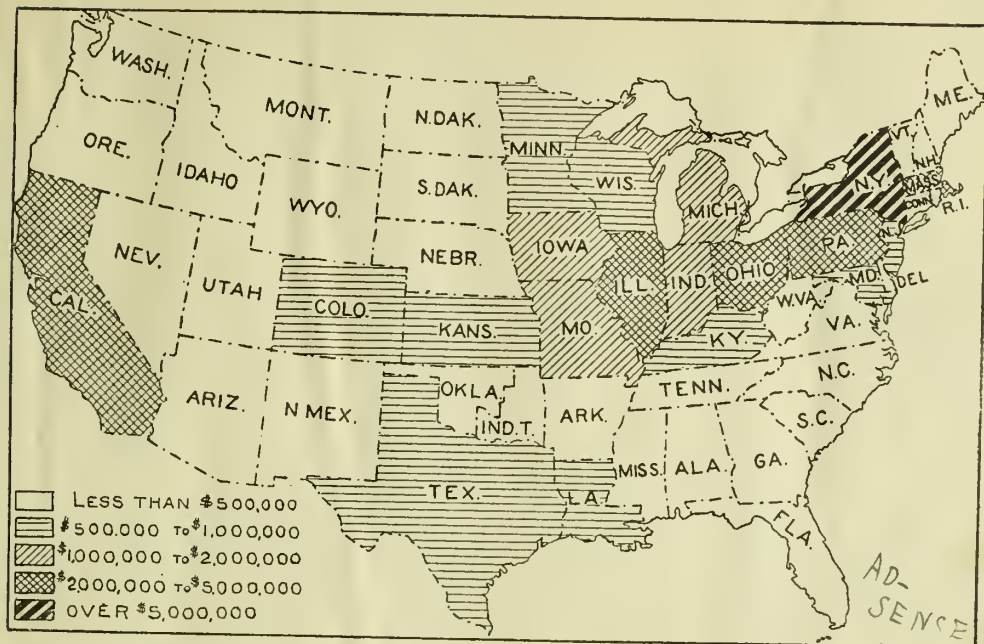
	1850	1860	1870	1880	1890	1900
Percent of circulation						
All classes	100.00	100.00	100.00	100.00	100.00	100.00
Daily	14.7	10.8	12.5	11.2	12.1	13.2
Tri-weekly	1.5	.8	.8	.2	.1	.2
Semi-weekly	1.0	1.3	1.2	1.9	.8	2.5
Weekly	57.3	55.5	50.8	51.2	41.9	34.9
Monthly	14.4	25.0	27.1	26.0	28.4	34.6
Quarterly	0.5	.7	1.0	6.1	11.7	9.8
All other classes	10.6	5.9	6.6	4.4	5.0	4.8
Population	23,191,876	31,443,321	38,558,371	50,155,783	62,622,250	75,994,575
Total circulation	426,404,978	927,951,548	1,508,548,250	2,067,848,209	4,681,113,530	8,168,148,749
Copies per capita	18.4	29.5	39.1	41.2	74.8	107.5
Incomes for newspapers and periodicals from						
Subscriptions				\$ 49,872,768	\$ 72,343,087	\$ 79,928,483
Advertisements				\$ 39,136,306	\$ 71,243,361	\$ 95,861,127
Per cent of advertisements				44.0	49.6	54.5
Percent of income of publishers from						
Advertising					43.0	39.6
Subscriptions and sales					35.8	40.2
Book and jobs					21.2	20.2
Number of newspapers and periodicals	2,526	4,051	5,871	11,314	14,901	18,226
Aggregate number of copies issued during census year.	426,404,978	927,951,548	1,508,548,250	2,067,848,209	4,681,113,530	8,168,148,749

STATISTICAL INFORMATION FOR 1900 FROM THE TWELFTH CENSUS.

	No. of Publications	Average Circulation	Total Year's Copies
Daily	2,226	15,102,156	5,176,542,700
Tri-weekly	62	228,610	35,663,160
Semi-weekly	637	2,832,868	294,618,272
Weekly	12,979	29,852,052	2,072,306,704
Monthly	1,817	39,519,897	474,238,764
Quarterly	237	1,217,422	44,869,688
Others	268	5,546,329	69,948,487
Totals	18,226	114,299,334	8,168,148,749



DISTRIBUTION OF RECEIPTS FROM ADVERTISING IN NEWSPAPERS AND PERIODICALS - 1880



DISTRIBUTION OF RECEIPTS FROM ADVERTISING IN NEWSPAPERS AND PERIODICALS - 1900

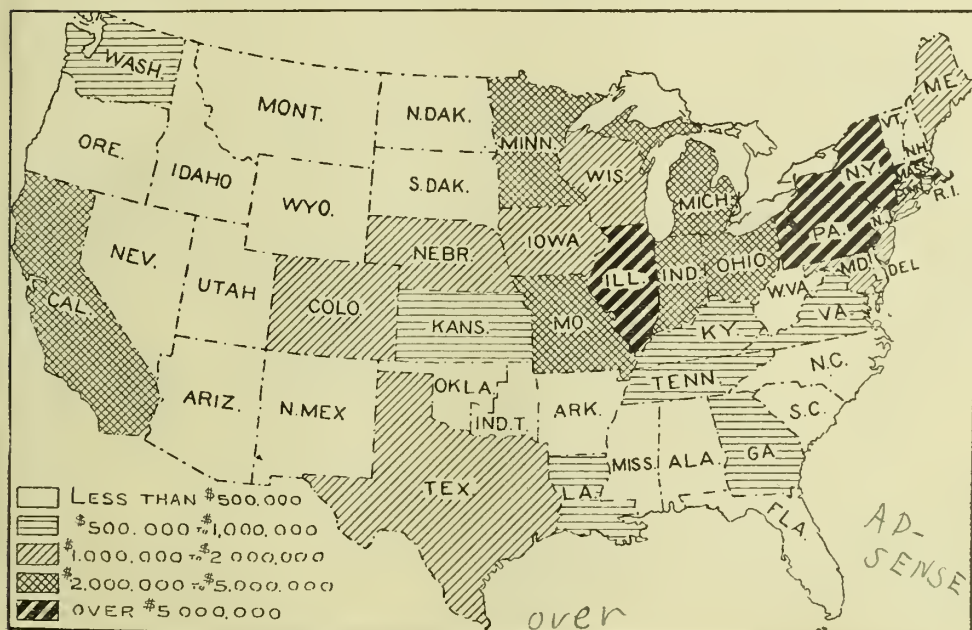


Chart No. 2.

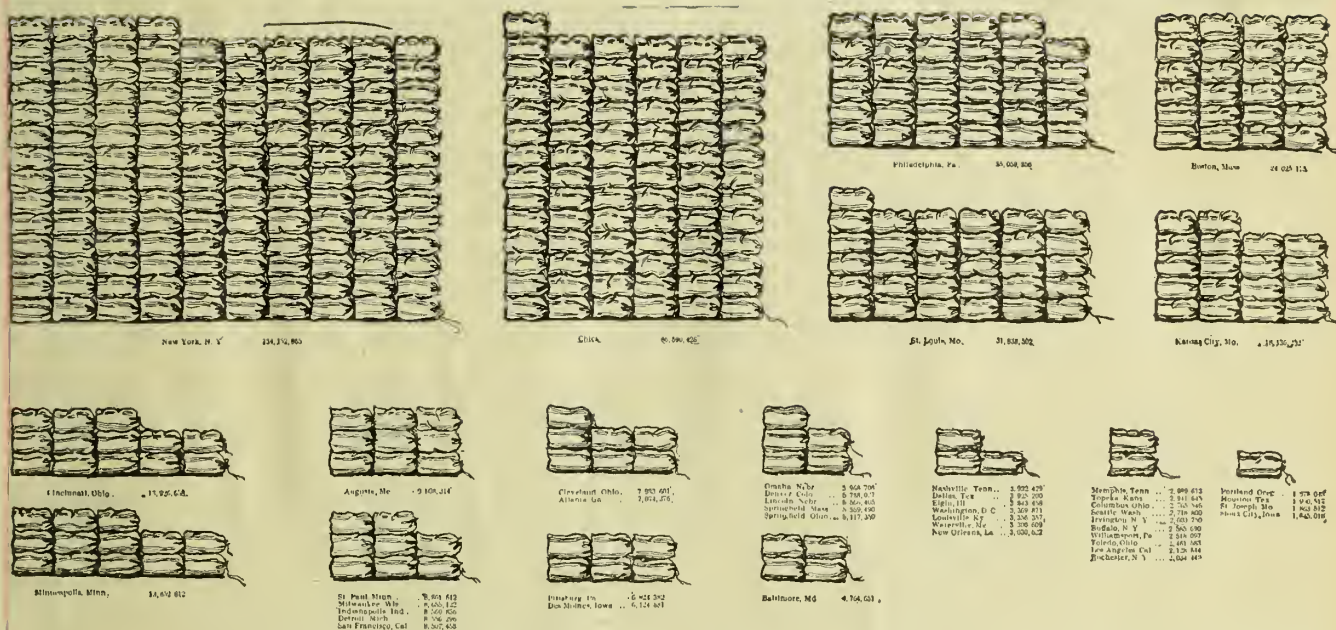
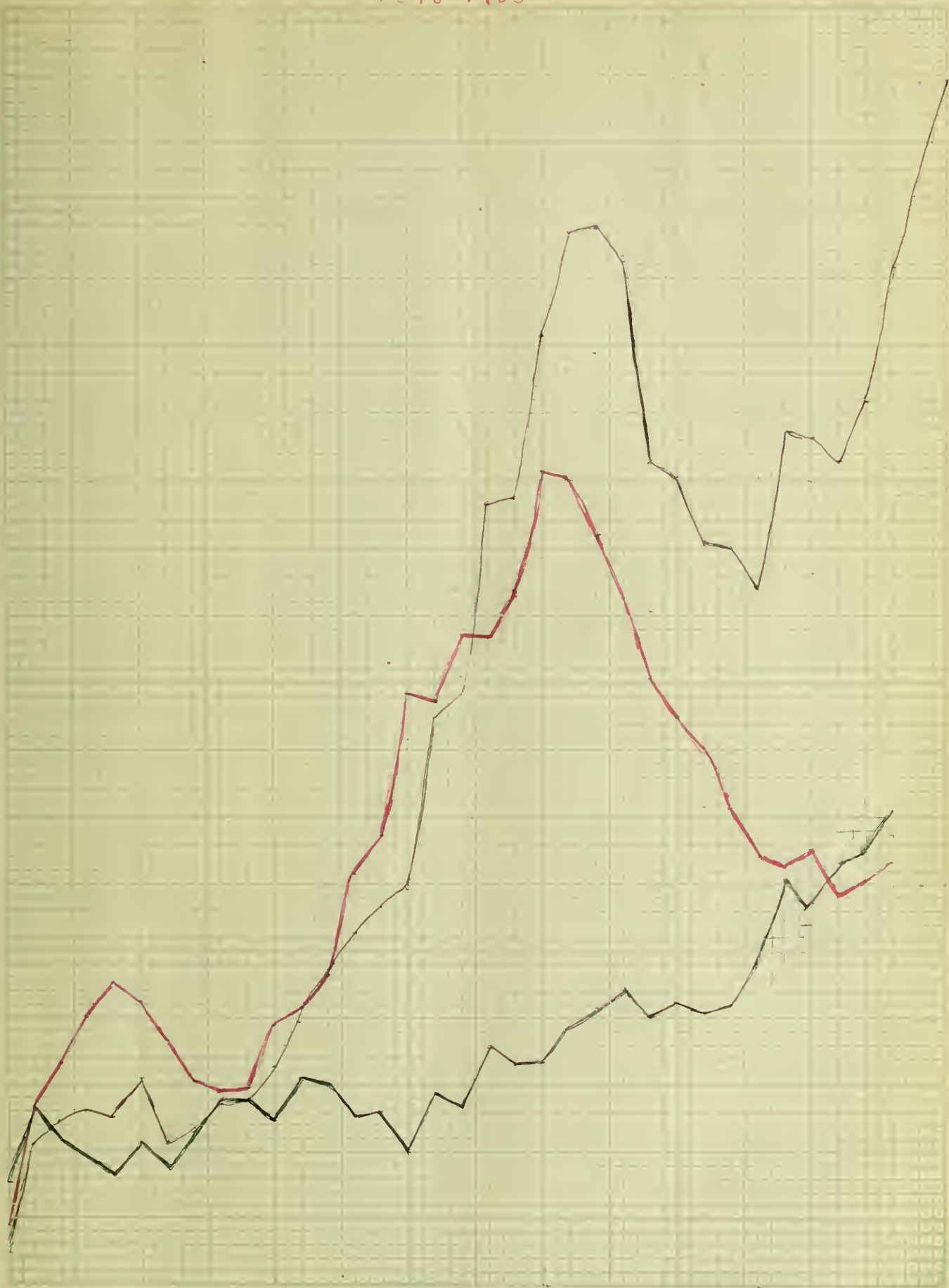


DIAGRAM SHOWING THE NUMBER OF POUNDS OF NEWSPAPERS AND PERIODICALS MAILED ANNUALLY AT THE FORTY-FIVE POSTOFFICES THAT HANDLE EIGHTY-TWO PER CENT OF THE SECOND-CLASS MAIL OF THE UNITED STATES. EACH SACK REPRESENTS APPROXIMATELY ONE MILLION POUNDS. THE FIGURES GIVEN ARE FROM THE ANNUAL REPORT OF THE POSTOFFICE DEPARTMENT FOR THE FISCAL YEAR ENDED JUNE 30, 1905.

Progress of Scribner's (Century) Magazine 1870-1905

Two Squares Crosswise Equal One Year,
One Square Lengthwise Equals Fifteen Units of Measurement



over.

- Total Number of Firms Advertising Each Year (1870-1903).
- Average Number of Lines Used by Each Advertiser. (Annually) (1870-1905).
- Total Pages of Commercial Advertisements for Each Year (1870-1905).



Date	Total Number of Pages of Com- mercial Adver- tising for each year in the Cen- tury Magazine.	Total Number of different firms advertising dur- ing each year in the Century Magazine.	Average Number of lines used by each advertiser during the twelve months in the Cen- tury Magazine.
1870	33	66	112
1871	154	186	185
1872	183	251	163
1873	196	300	146
1874	189	341	124
1875	231	318	162
1876	162	273	132
1877	178	230	173
1878	202	221	205
1879	208	224	208
1880	244	293	186
1881	312	299	233
1882	355	351	226
1883	395	463	191
1884	427	489	195
1885	446	662	150
1886	634	656	214
1887	662	731	202
1888	873	725	269
1889	893	779	256
1890	1061	910	261
1891	1173	900	292
1892	1178	840	314
1893	1141	770	332
1894	919	678	304
1895	902	638	317
1896	831	605	308
1897	828	539	332
1898	782	483	363
1899	954	473	452
1900	946	489	433
1901	921	437	472
1902	988	455	486
1903	1135	479	531
1905	1337		



HARPER'S OCTOBER ADVERTISING 1864-1904

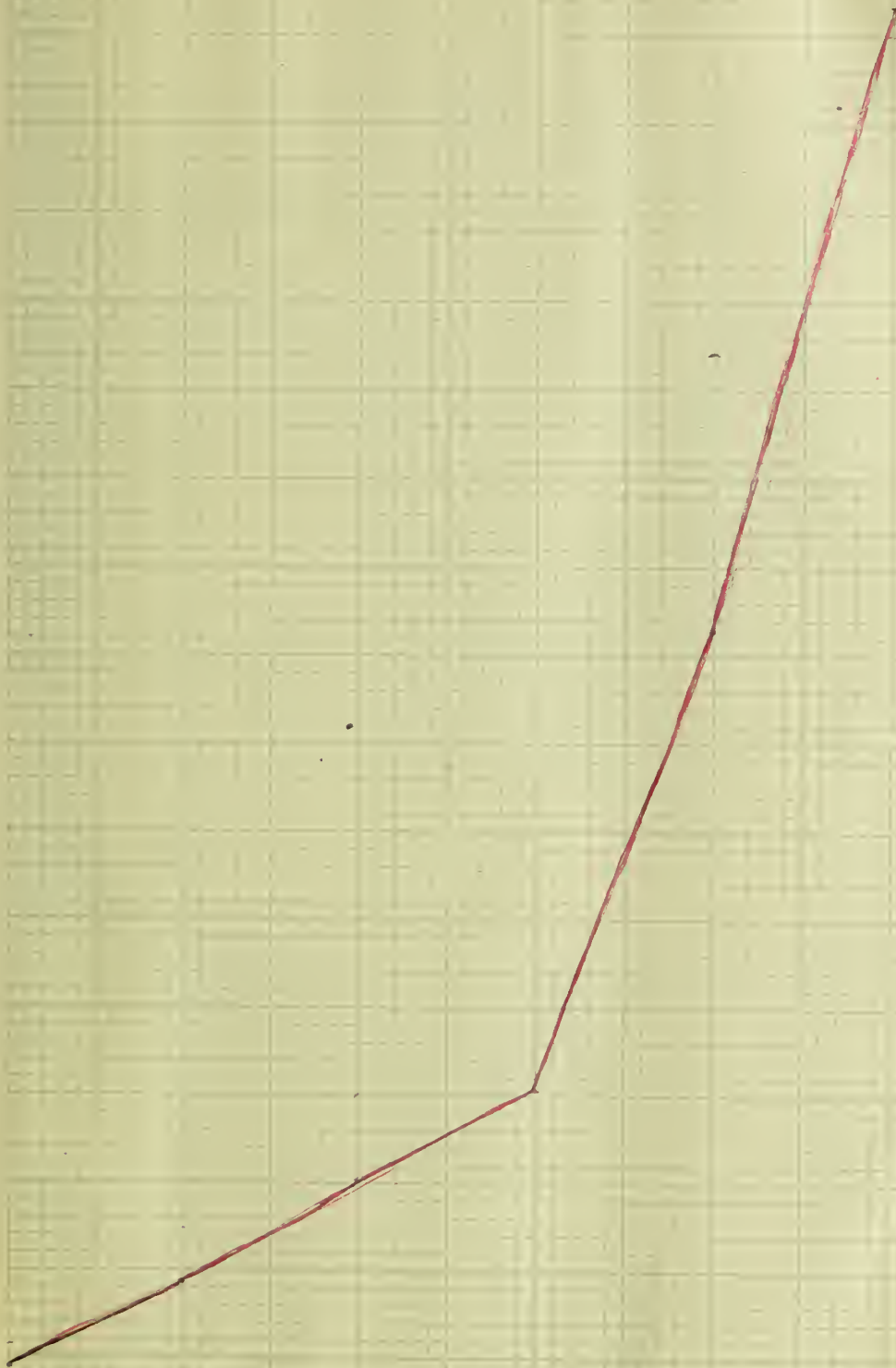
□ Each square the width of the paper represents a year.
The scale for pages of advertising = Every square represents two advertising pages.





Chart Showing Relation of Total Circulation of All Publications to the Total Population.

1850 1860 1870 1880 1890 1900



1850 1860 1870 1880 1890 1900
 — Total Population.
 — Total Circulation of Publications.
 □ Lengthwise Equals 100,000,000 Units
 □ Crosswise Equals One Year.

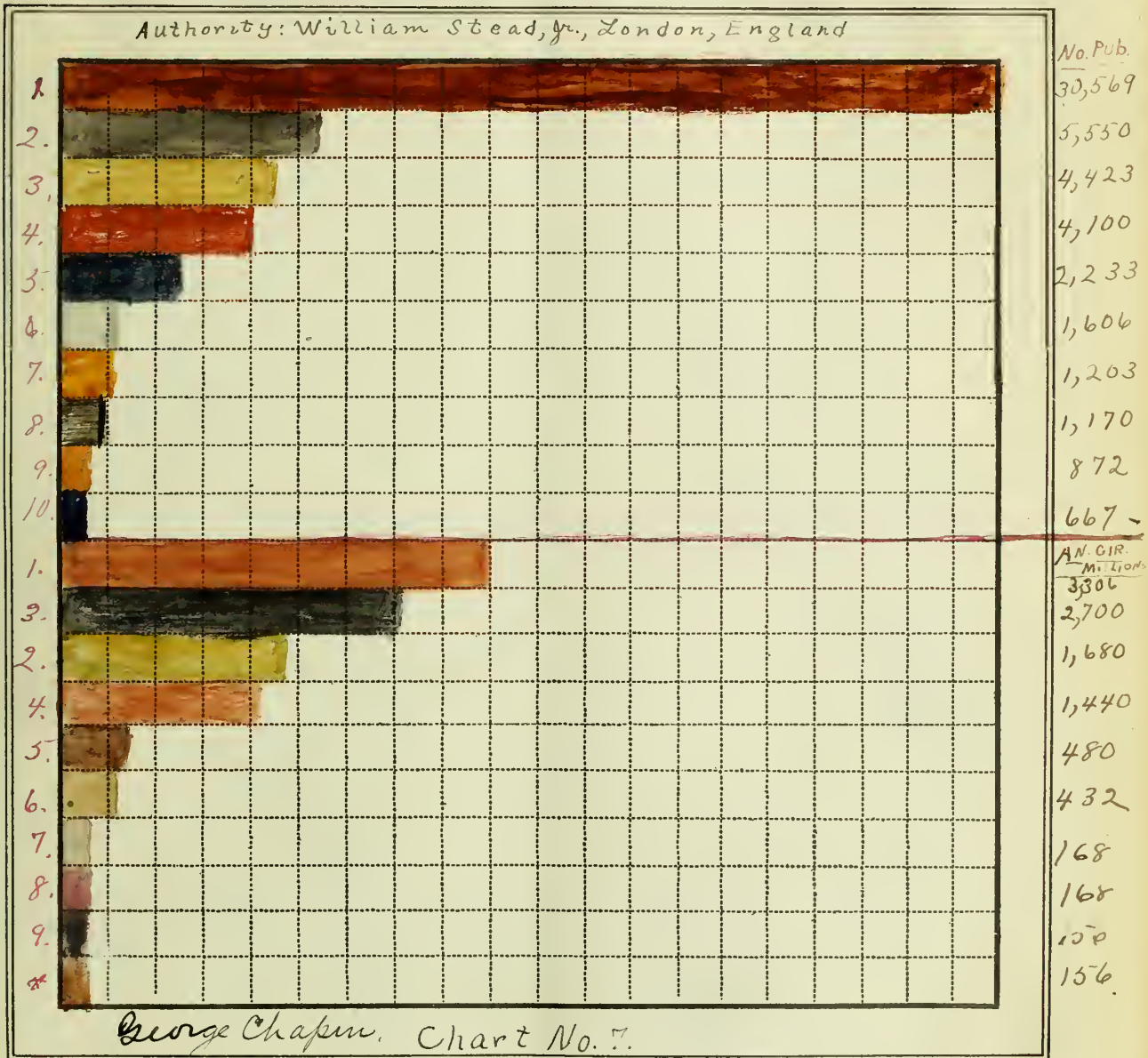


1. United States
2. Germany
3. United Kingdom
4. France
5. Austria

6. Italy
7. Spain and Portugal
8. Spanish-America
9. Belgium
10. Russia.

* Australia

CHART SHOWING No. Publications and Circulation For Leading Countries (1890).



PREPARED BY George Chapin

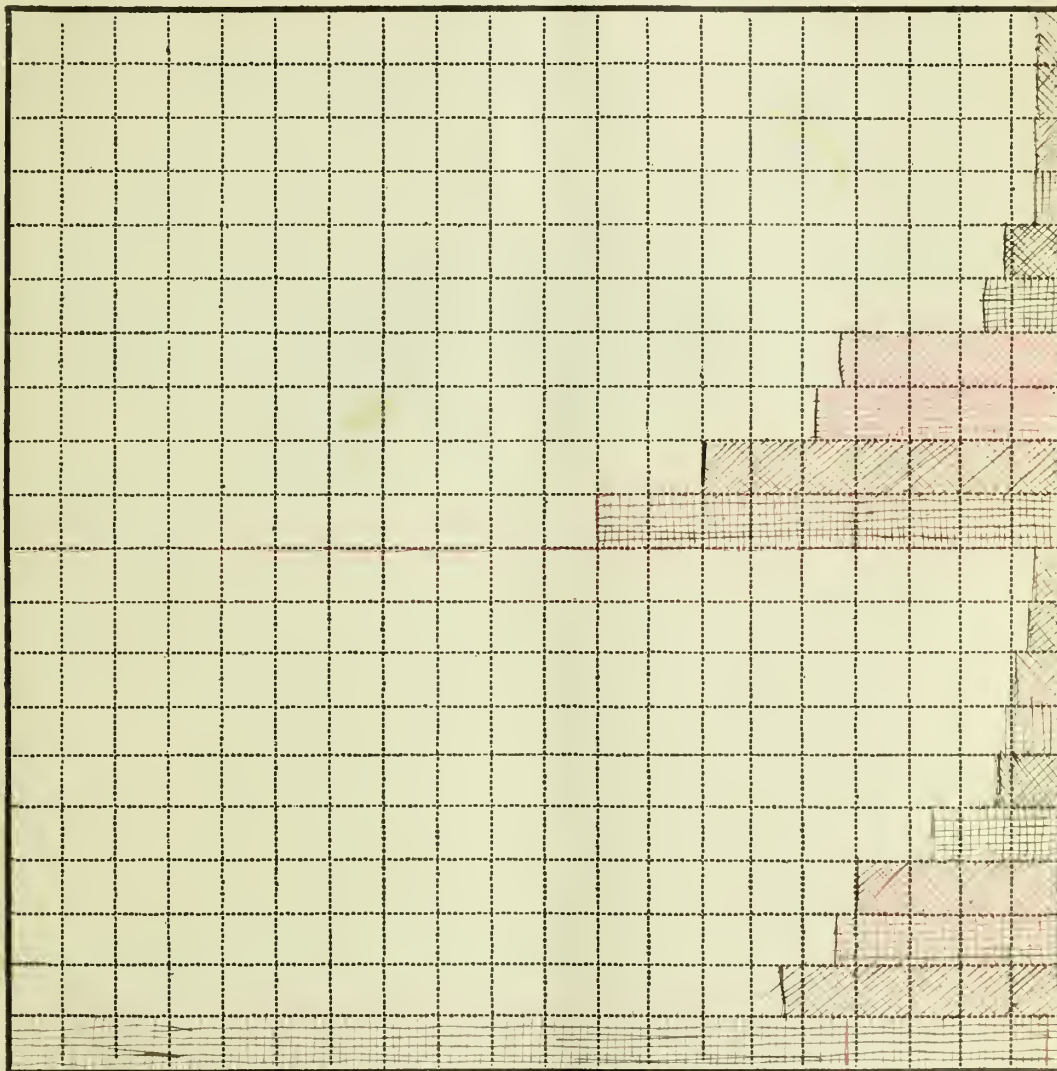
DATE March 14, 1906.

□ = 1,000 publications

□ = 333,000 copies.



CHART SHOWING *Same as Chart No. 7.*

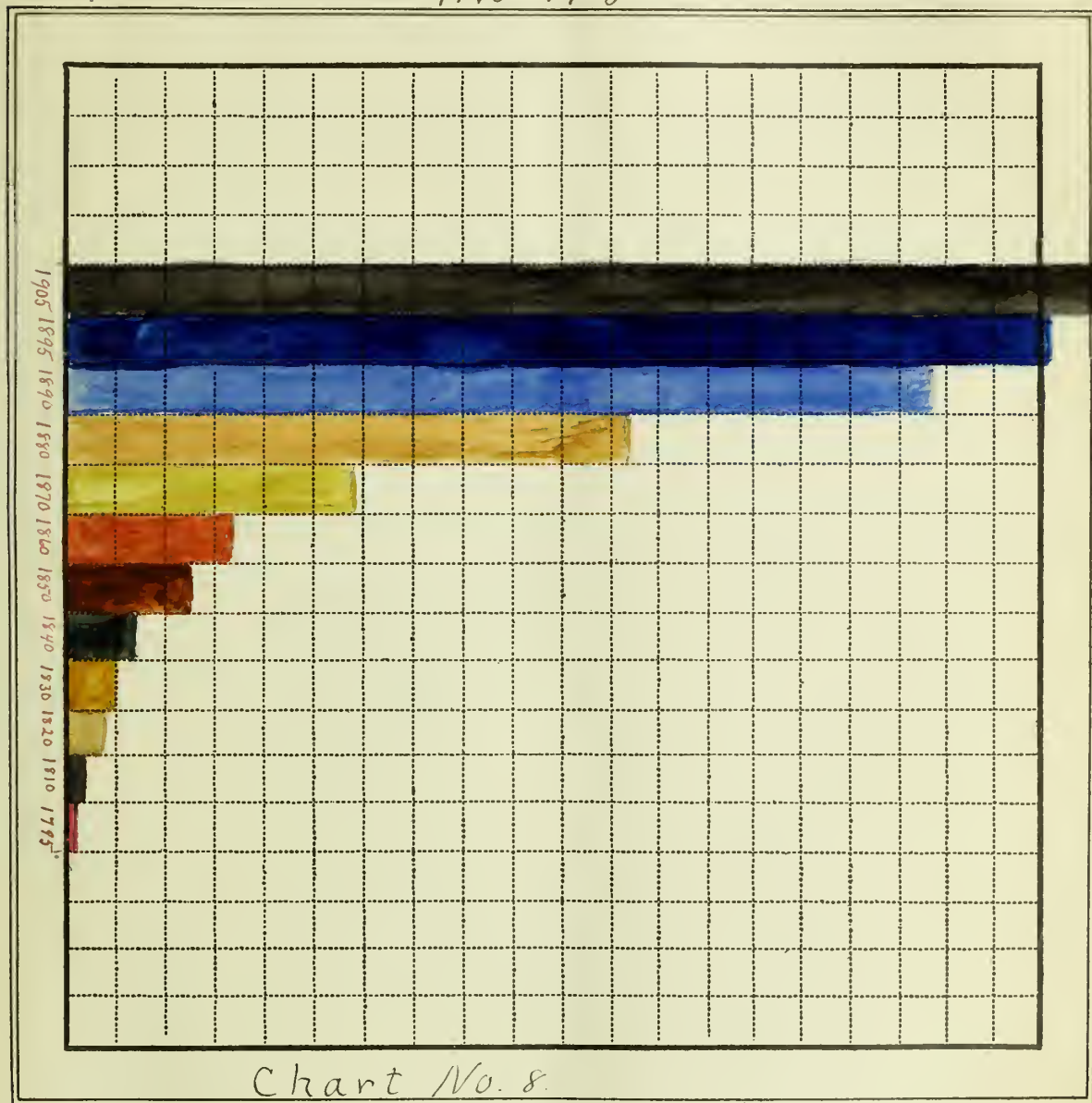


PREPARED BY

DATE



CHART SHOWING *Number of Newspapers in United States*
1795-1905



PREPARED BY *George Chapin*

DATE *May 11, 1906.*

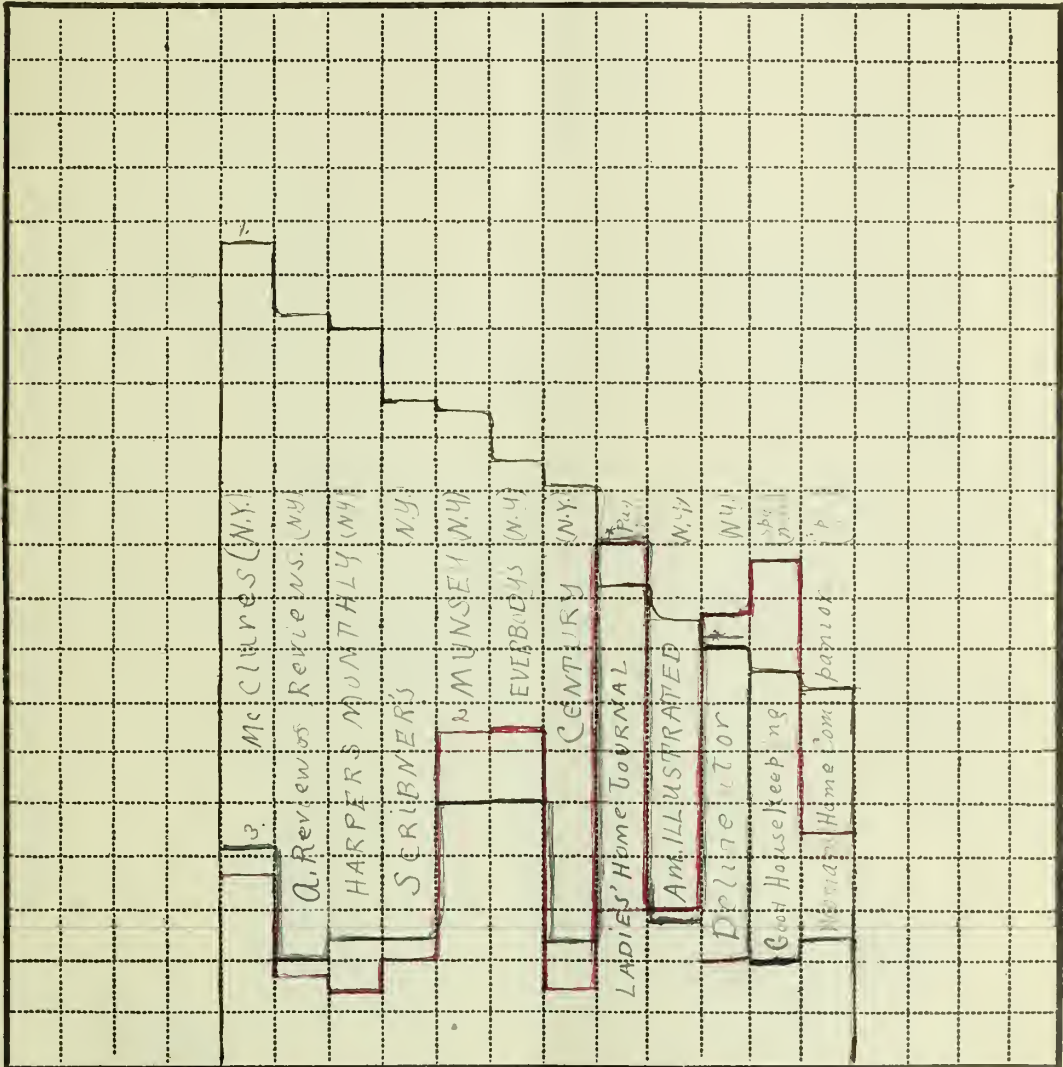
= 1,000 Newspapers

1795, 200; 1810, 366; 1820, 700; 1830, 1,000;
1840, 1,463; 1850, 2,526; 1860, 3,343; 1870, 5,871;
1880, 11,344; 1890, 17,712; 1895, 20,217;
1905, 23,461.

CHART SHOWING ADVERTISING RATES PAGES, CIRCULATION 12 MAGAZINE

1 = Number Advertising Pages, each square = 10 pages.

2 = Circulation, each square being equivalent to 100,000 subscribers.



3 = Advertising Rates, each square = \$100.

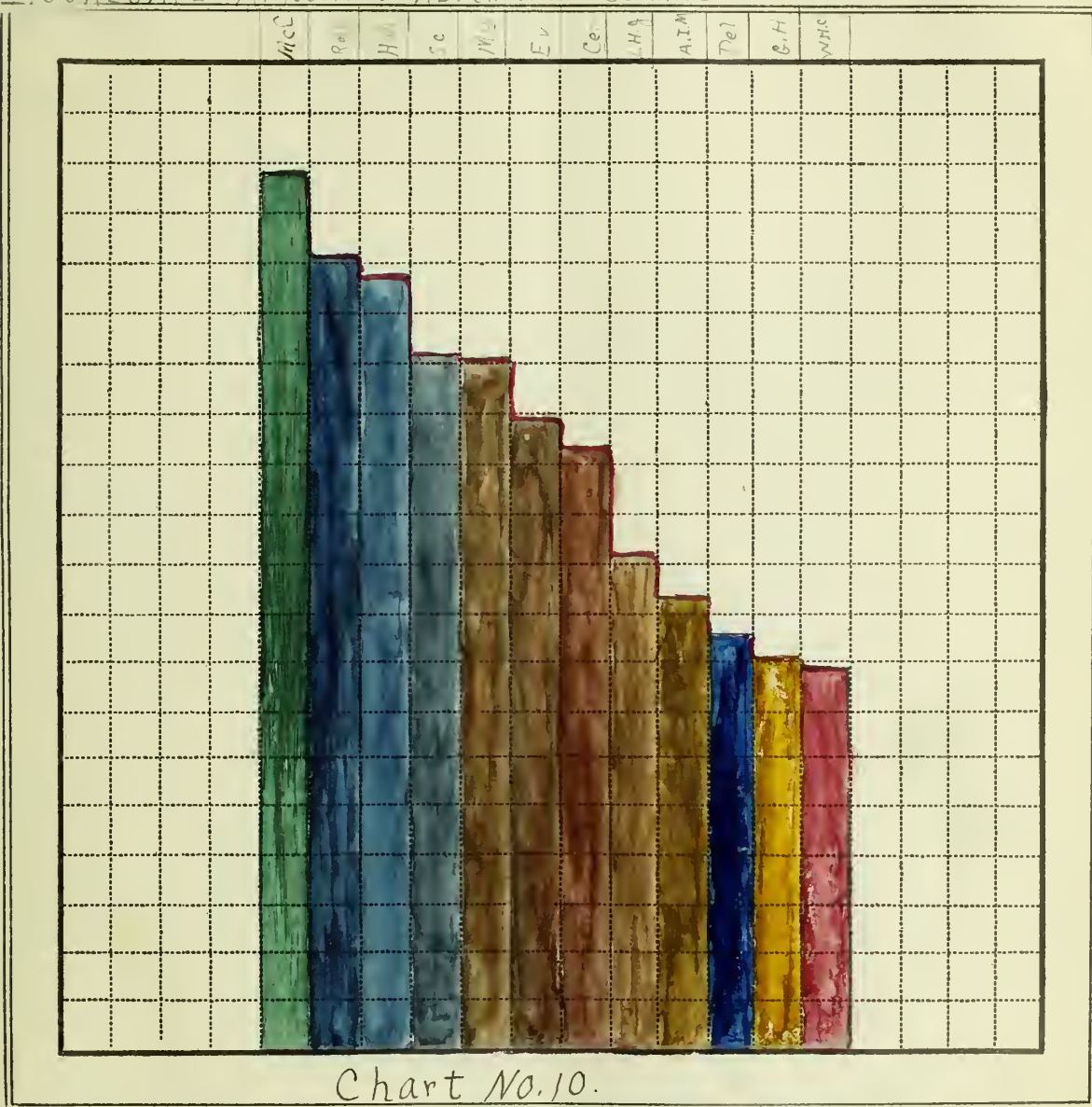
* MAGAZINES NOT STANDARD SIZE. RE-KNOWN BY COMPARISON OF PER PAGE RATE

PREPARED BY George Chapman

DATE Feb. 21, 1906

Chart No. 9.

CHART SHOWING MAGAZINE ADVERTISING FOR 1905.
 AGGREGATE AMOUNT OF ADVERTISING CARRIED FOR 1905 BY



PREPARED BY George Chapin

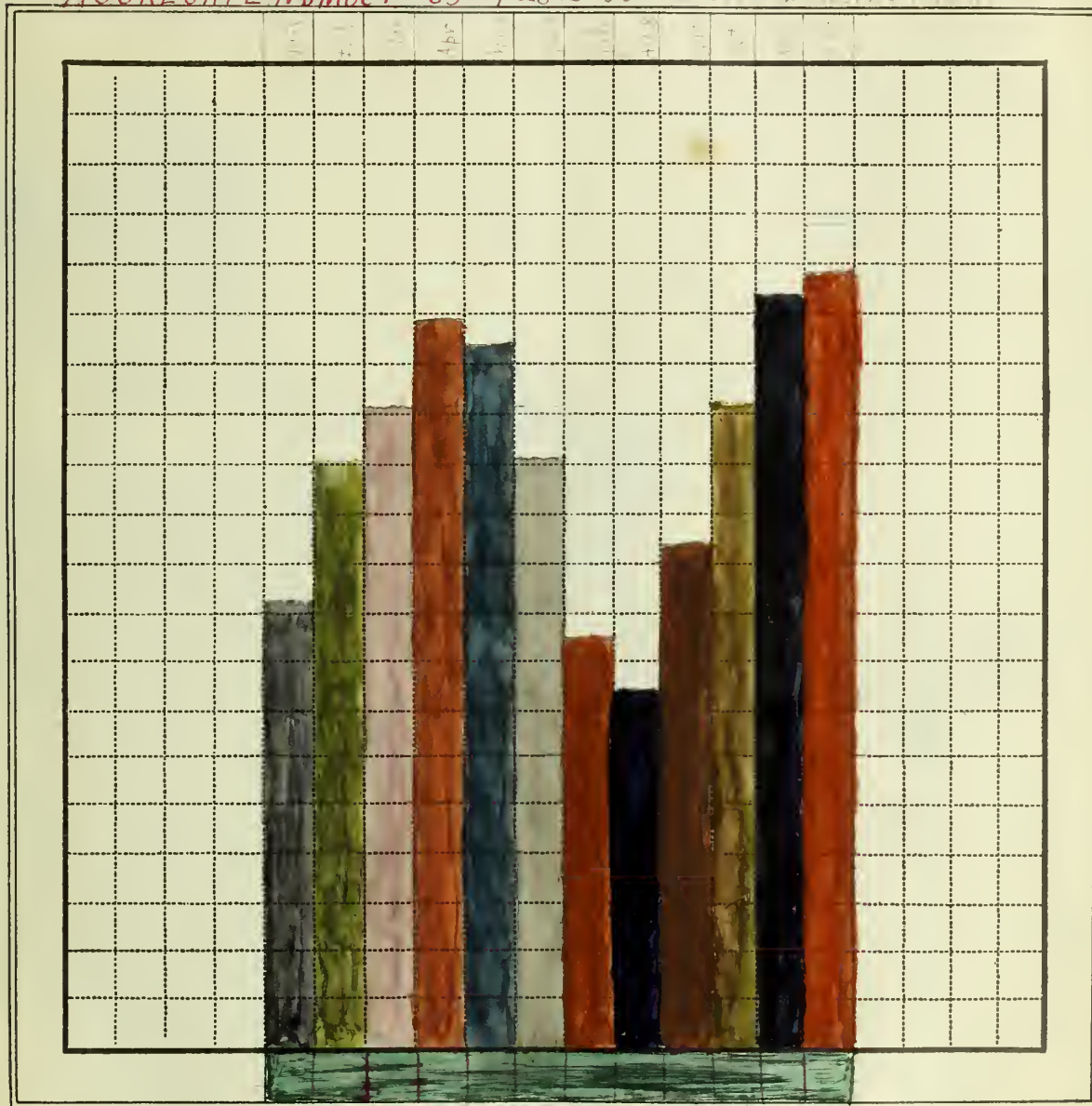
DATE Feb. 20, 1906

☐ Each square 100 Pages in Advertising Section.

CHART SHOWING

Magazine Advertising in 1915

AGGREGATE Number of Pages for Time in Western Hemisphere



PREPARED BY

Prop. of the

DATE

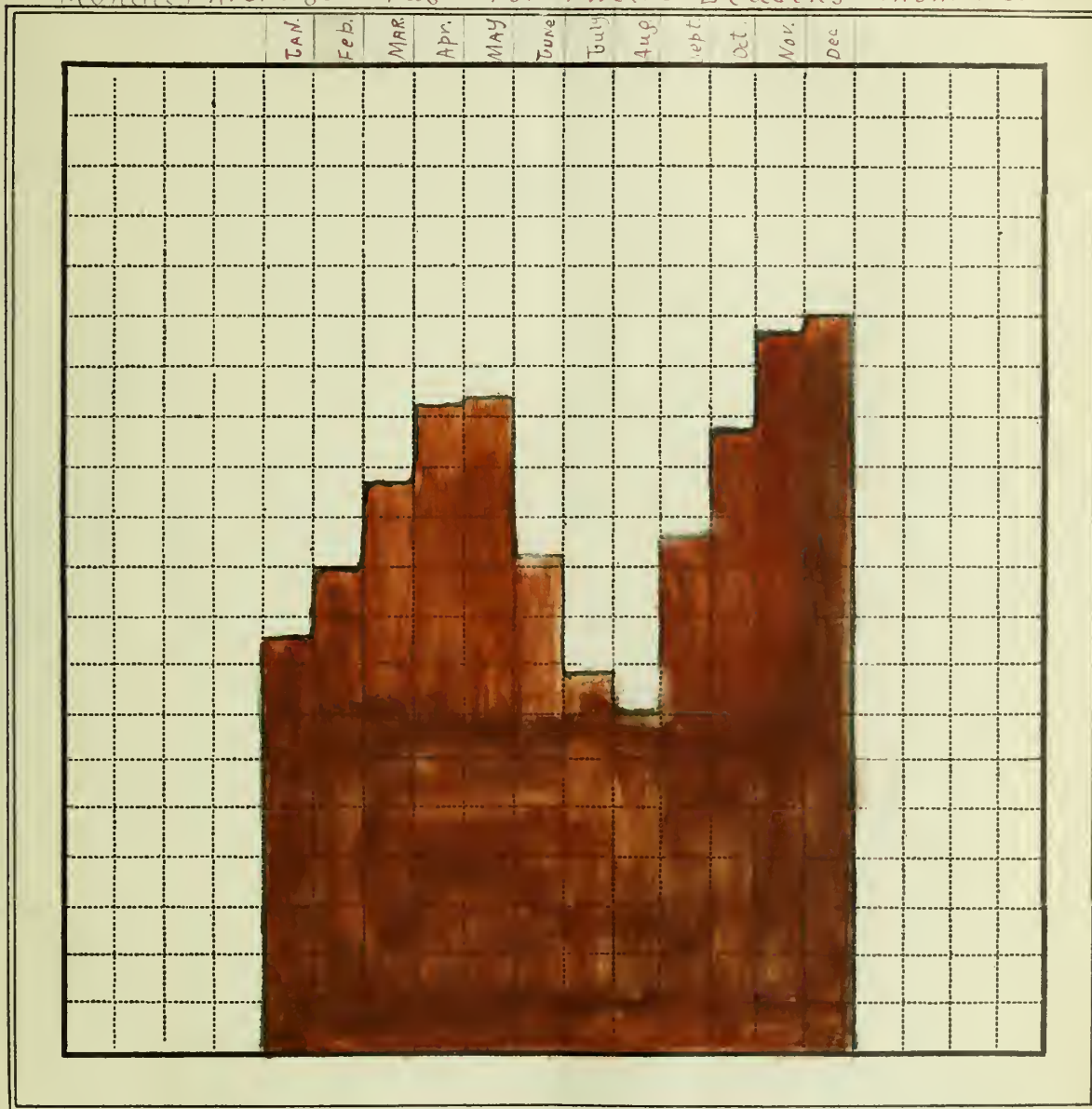
Feb 21 1916

scale. Each \square = 100 PAGES of ADVERTISING SECTION

Chart No. 11.



CHART SHOWING MAGAZINE ADVERTISING FOR 1905.
Monthly Average of Pages For Twelve Leading MAGAZINES



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☐ Each sq. are = 10 Pages of advertising material
 Chart No. 12.

Monthly Average of Twelve Magazines for 1905

	Pages.	Agate Lines.
McClure's.....	156	35,150
Review of Reviews....	143	32,165
Harper's Monthly.....	140	31,521
Scribner's.....	127	28,374
Munsey's.....	125	28,211
Everybody's.....	116	26,053
Century.....	111	24,964
Ladies' Home Journal..	93	20,957
American Illustrated Magazine.....	86	19,413
Delineator.....	80	18,096
Good Housekeeping...	76	17,166
Woman's Home Com- panion.....	73	16,512

Average for the Twelve Magazines *

	Pages.	Agate Lines.
January.....	85	19,235
February.....	100	22,553
March.....	118	26,570
April.....	132	29,752
May.....	134	29,034
June.....	102	23,010
July.....	79	17,719
August.....	71	15,930
September.....	96	21,511
October.....	118	26,593
November.....	137	30,744
December.....	140	31,525

Totals for the year

	Pages.	Agate Lines.
McClure's.....	1,883	421,801
Review of Reviews....	1,723	385,989
Harper's Monthly.....	1,687	378,254
Scribner's.....	1,520	340,494
Munsey's.....	1,511	338,541
Everybody's.....	1,395	312,644
Century.....	1,337	299,579
Ladies' Home Journal..	1,122	251,492
American Illustrated Magazine.....	1,040	232,966
Delineator.....	969	217,158
Good Housekeeping...	919	205,995
Woman's Home Com- panion.....	889	198,140

Monthly totals for the Twelve Magazines *

	Pages.	Lines.
January.....	1,030	230,826
February.....	1,306	292,638
March.....	1,423	318,840
April.....	1,593	357,025
May.....	1,555	348,410
June.....	1,323	296,130
July.....	950	212,829
August.....	853	191,160
September.....	1,152	258,141
October.....	1,424	319,119
November.....	1,647	368,935
December.....	1,688	378,306

Income of the Fifty most Prominent American Magazines,

Collier's.....	\$1,820,000
Saturday Evening Post...	1,600,000
Ladies' Home Journal...	1,100,000
Delineator.....	1,000,000
Munsey's.....	650,000
Century.....	600,000
Everybody's.....	600,000
Harper's Monthly.....	600,000
Review of Reviews.....	500,000
McClure's.....	450,000
Scribner's.....	450,000
Woman's Home Com- panion.....	450,000
American Illustrated Maga- zine.....	350,000
Metropolitan.....	337,500
Argosy.....	330,000
McCall's Magazine.....	325,000
Success.....	325,000
Christian Herald.....	322,500
Appleton's Booklovers...	300,000
Cosmopolitan.....	300,000
Literary Digest.....	300,000
Outlook.....	300,000
Smart Set.....	300,000
Leslie's Weekly.....	\$280,000
Designer.....	275,000
Pearson's.....	250,000
Red Book.....	250,000
Strand.....	240,000
Ladies' World.....	237,500
National Magazine.....	225,000
World's Work.....	225,000
Good Housekeeping.....	210,000
Harper's Bazaar.....	200,000
Life.....	200,000
Madame.....	200,000
Public Opinion.....	200,000
Housekeeper.....	165,000
Harper's Weekly.....	160,000
Country Life in America..	150,000
Outing Magazine.....	150,000
Reader Magazine.....	150,000
Ainslee's.....	135,000
Lippincott's.....	120,000
Atlantic Monthly.....	100,000
Four-Track News.....	100,000
Illustrated Outdoor News	100,000
Men and Women.....	100,000
Bookman.....	80,000
World To-Day.....	75,000
Critic.....	40,000

\$17,927,500

Another interesting subject of speculation is the standing of the weekly magazines. Despite fears for the "decay of the weekly," one-fifth of the magazines on this list have nearly a third of the income:

Collier's.....	\$1,820,000
Saturday Evening Post...	1,600,000
Christian Herald.....	322,500
Literary Digest.....	300,000
Outlook.....	300,000
Leslie's Weekly.....	280,000
Life.....	200,000
Public Opinion.....	200,000
Harper's Weekly.....	160,000
Illustrated Outdoor News	100,000

\$5,282,500

Another interesting phase of these figures is the income of the magazines taken by women, which have practically one-fourth of the total, exceeding that of all the other publications sold at more than ten cents, though three of them are sold at five cents:

Ladies' Home Journal....	\$1,100,000
Delineator.....	1,000,000
Munsey's.....	650,000
Woman's Home Com- panion.....	450,000
McCall's Magazine.....	325,000
Designer.....	275,000
Ladies' World.....	237,000
Good Housekeeping.....	210,000
Harper's Bazaar.....	200,000
Madame.....	200,000
Housekeeper.....	165,000

\$4,812,000

* April, May, and June, gross count, other months publishers' advertisements omitted.



Stationary advertising absorbs a large percentage of the remainder of the national appropriation. Bill-boards, street cars, electric signs and window displays are the leading and important media of this division, which also includes landscapes, dead walls, pavements and window posters, show cards, theater curtains, advertisements, lithographs, street-car signs, transfers and tickets, biographs, stereopticons, miscellaneous signs, streamers, placards, changeable signs, packages, cans, adhesive labels, umbrellas, delivery wagons, special trains and caravans, as well as a number of other incidental media.

The third class, personal advertising, is closely connected with indirect advertising. Personal advertising media aim to produce direct results, that is the primary object of the words or actions of the person are to create a demand for the product they advertise. Personal advertising absorbs commercial travellers, demonstrators and store salesmen to the extent that they strive to create a direct demand for the goods on the part of the customer or consumers.

Even more than personal advertising under the term indirect advertising may be included the commercial, enterprise derived from many indirect sources. Publicity is attained incidentally as the result of activity having some other purpose, which at the same time will exert an indirect effect on the persons, articles or business enterprises, concerned.

The Wanamaker store in Philadelphia for instance in its art gallery furnishes an example of indirect advertising. It was

long Mr. Wanamaker's desire to attract the more wealthier and refined people of Philadelphia to his store. They could not be reached by direct advertisements so the plan of establishing a fine art gallery was tried. The desired people came to the store, and incidentally many have developed into customers. The art gallery was in this case used as the medium to attract trade.

D I S T R I B U T I V E A D V E R T I S I N G .

N E W S P A P E R S .

The most important medium of distributive advertising is the newspapers which in 1900 according to the Twelfth Census reports, represented an investment of \$192,443,708 for the United States. Of the thirty-five thousand publications credited to the United States by some authorities ^{alone had} newspapers over twenty-three thousand. These newspapers receive an income variously estimated from one to three hundred millions of dollars for their advertising space.

The pre-eminence of the newspaper in the field of general advertising is disputed by the advocates of the magazines, but in the local field the newspaper is indispensable. It is essentially the one publication, which chronicles the important happenings of interest to the people of any locality. In its columns, therefore, is found the advertising which should interest the buyer, who needs the articles which the merchants are most vitally interested in



selling.

The newspaper brings the home dealer into close touch with his customers and covers the local field in a thorough manner. It therefore, offers a concentrated field and circulation, capable of producing maximum results at a minimum cost.

Competition tends to force the price of advertising space to a minimum and the superior circulation facilities due to rapid recurrence of issue, produces a culmative effect by repeated suggestion as well as by convincing arguments.

The repeated suggestions offered during the week tend to be most successful after the Sunday edition has been read. The Sunday edition is the special issue in which the newspaper can adopt the magazine methods of advertising, instead of appealing to the reader by direct command on sound reasoning, as is done during the week. Appeals may be made on Sunday to the sympathy and sentiment of the reader. The condition of the average Sunday reader is similar to that of a magazine reader, whose susceptibility to advertising suggestions and influence is due to his ease of mind and leisure. The influence of the Sunday newspaper has resulted in "Bargain Monday" for almost every large store. Marshall Field & Co., of Chicago is an exception to this rule. That store has never used Sunday space and its owners have often reported, that Mondays at Field's store is similar to that of any other trade day, the rush for bargains and confusion resulting therefrom being absent.

In the Sunday newspaper is also found the "want" advertisement department and exchange columns at their best. Here are announced all kinds of business opportunities and many individual and household needs. All classes of people patronize these columns, where a direct, specific proposition stated as briefly as possible, brings an immediate and certain return.

The want-advertisement columns are generally indicative of the circulation of a newspaper. The advertiser must consider the amount and the quality of circulation as well as the attitude of the newspaper's readers towards advertising in order to choose the best media. A uniform rate for all newspaper publishers would benefit the advertiser, who is often charged different prices for the same amount of advertising in different publications of practically the same circulation.

Henry B. Varner in the Editor and Publisher for December 10, 1903, after consulting advertisers and advertising agencies and carefully studying the rate problem, finally evolved the following schedule of prices for:

"Papers of	500 Cir.	3c.	per inch.
"	" 1000 "	5c.	" "
"	" 1500 "	6c.	" "
"	" 2000 "	7c.	" "
"	" 2500 "	9c.	" "
"	" 3000 "	11c.	" "
"	" 3500 "	12c.	" "



Papers of	4000	Cir.	13 1/2c.	per inch.
" "	4500	"	15c.	" "
" "	5000	"	16c.	" "
" "	6000	"	19c.	" "
" "	7000	"	22c.	" "
" "	8000	"	25c.	" "

"This schedule of rates is for advertising when electros are used. Five cents per inch extra is a reasonable price to charge for composition. The advertising agent expects and should have fifteen per cent. commission from your lowest price."

The conclusion is that logically, psychologically and practically the newspaper is the most natural medium for a local publicity campaign, and because of its frequently recurring issue is an important factor in a general campaign.

M A G A Z I N E A D V E R T I S I N G .

The relation of the newspaper to the magazine, (national weeklies included), seems best expressed in the statement that the latter supplements but does not supplant the former. The newspaper contains the bargain news, the "here today and gone tomorrow items" and hastily rewrites the story of the world every twenty-four-hours. The magazine, issued only after careful preparation, is of much higher artistic and literary standard. A better quality of paper, more attention to typographical excellence and printing,

with literary articles of high standard, enable the magazines to become a publication permanent in character. The advertising section of magazines generally average a third greater than the literary section. The large amount of space thus used ^{is partly due} to the presence of illustrations in the advertising section. About seventy-five per cent. of magazine advertisements are illustrated and the illustrations cover forty-five per cent. of this section. It is expected that the attractiveness of illustrations cause ninety per cent. of the readers of magazines to notice the advertisements and eighty per cent. casually to glance over them.

The magazine is usually perused as a means of diversion in leisure moments, hence the more ready response to the attractions of the advertisements. Since the literary character of magazines is fairly well defined and appeals to a certain class of readers, the wise advertiser will place his material in those periodicals, which are read by persons likely to become interested in the given commodity and thus avoid waste in circulation. The amount of space to be used will depend both on the financial resources of the advertiser and the nature of his business. Advertisements placed in judiciously chosen magazines or other publications, if presented in a concise and forceful manner, insures results in almost direct proportion to the amount of space utilized. The selection of space in a magazine commonly read by an interested class of educated, cultivated and well-to-do prospective patrons, guarantees to the business man a notice of his goods at a time when the

reader is in a sympathetic and responsive mood. The advertiser is not usually permitted to take undue advantage of the susceptibility of the reader because publishers of standard magazines are generally careful to discriminate against injurious and fraudulent advertisements. Some publishers even guarantee their patrons against loss due to investments as a result of the reading of the magazine.

The magazine of today reflects a gradual development in popularity due in part to the progressive publishers. They have inaugurated practical journalism, elaborate color printing, "want" advertisement departments, and exchange columns, as features. The objection that advertisements lose part of their value when separated from reading matter, has been overcome by some publishers, who have adopted the policy of printing one column of literary matter and then another of advertisements, etc. Publishers have discovered that fifteen-cent magazines yield a larger net profit than the ten-cent publications. There is at present, therefore, an increase in price since it has been discovered that the loss of income from advertisements and circulations is more than offset by the returns from the increased price of the magazine.

This increase in price is paid by the reader, because of the entertaining value of the magazine, and by the advertiser who is charged the same rate despite whatever loss there may be in circulation. He pays this difference because he is able to appeal to a constituency particularly influenced by the personality of the

publication, and thus avoid much of the wasted energy incident to the use of newspapers.

TRADE AND TECHNICAL JOURNALS.

The trade and technical journals because they reach a certain class at a minimum cost and with the least waste for unprofitable circulation, have been given credit for being the nearest approach to a perfect advertising medium. In general the advertiser's ideal is a well-edited journal which, on account of the proper arrangement of its interesting, valuable and instructive subject matter, is expected to leave the reader "unwearied and enthusiastic" for the perusal of the advertising pages.

THE FOLLOW-UP SYSTEM.

The follow-up system within the past few years has become recognized as one of the effective methods of advertising, and has been used by the enormous mail-order enterprises of today. The first step in this system is to come into contact with, or communicate with a prospective customer. This is accomplished by means of personal representation, by answering of advertisements or by direct mail. Having once aroused the interest of the buyer, the follow-up system can be put into operation. Each individual business must have a system of its own applicable to that individual

trade.

Booklets, catalogues, circulars, folders, samples, form-letters, insert sheets, and in some lines, order books, may be used successfully in a follow-up system. Each has a special value at times in interesting the reader. After the prospective customer seems interested or communication is established with him, the average cost of the follow-up system is estimated to be from two and one-third cents to three cents. This expenditure often takes the place of commercial travellers, who are able to cover but a limited field and to see but a certain number of customers per day. The average cost for the order of customer or dealer secured by a travellingman is estimated to be one dollar. For this sum the follow-up system will communicate with thirty-three prospective customers. The percentage of orders secured from these prospective customers will vary from twenty-five to fifty. Bad printing and a weak follow-up system is comparable to a poor salesman. The object of the follow-up system is to obtain patronage for the smallest expenditure of time and effort. Some important factors in a successful system are: Judicious distribution; an original, attractive, neat, stylish cover with due regard for material from which it is made; simple, interesting, convincing, short and cleverly written text; appropriate use of the negative at least a few times for additional effectiveness of argument; good, standard paper; close attention to typography and page arrangement, and good printing; a neatly "gotten up" booklet so it will be worth showing

to others, and the sending of a short note along with it. Due consideration must be given to envelope and a kind should be selected that exactly fits and matches the paper used, or the one that makes a strong combination of colors.

The follow-up literature to be most effective should reach the prospective customer on the days when his business correspondence is lightest. Tuesday is the best day for this purpose and Wednesday is next best. The economic advantages of a persistent, well-planned and convincing follow-up system for an appropriate business makes it popular with many firms.

When properly used as the salesman's assistant, as an attractive connecting link between the producer and the buyer of the goods, because it can be sent to the exact persons, where it is likely to do the most good, because it gets close to the consumer and possesses an indescribable, yet plainly-felt influence, the follow-up system promises to maintain its present standing as an effective advertising method.

C I R C U L A R S .

The media of the follow-up systems are often utilized independently. This is true of circulars, which are generally unpopular on account of large waste in distribution, although, judicious distribution in a section or locality particularly susceptible, on account of the absence of media performing similar functions, would prove very effective.

H A N D B I L L S .

The same criticism may be made about hand-bills, which have been replaced largely by newspaper advertisements. These have proved more effective substitutes in cities, but in small towns and villages, the hand-bills still fulfil the advertising mission of the daily newspapers.

A L M A N A C S .

Almanacs were first introduced in England but they have been most extensively made use of in the United States. For certain business enterprises such as proprietary medicines, they are regarded as one of the best, if not the best, media of advertising, regardless of the cheap manner in which they are printed and the careless way in which they are distributed.

S A M P L E S .

Samples are subject to a large amount of waste owing to the ineffective methods of distribution. Well established reputable distributing companies are able to prevent a certain amount of this waste by more careful disposal among the wholesaler, the retailer and the general public, recognizing that a field once covered thoroughly and effectively, yields small return to subse-

quent efforts.

NOVELTIES.

The innumerable articles , classed as advertising novelties, form an increasing per cent. of advertising appropriations, since they are recognized as having an advertising value. Some of the firms that manufacture these novelties assert that no other media can be employed with equal profit in certain lines of business. The most profitable novelties are usually the best ones and are appropriately adapted to the business in which they are used.

The novelties may serve as a forerunner or introducer of the travelling salesman and, if meritorious in character, are valuable adjuncts to other forms of publicity. The principal purpose of novelties is to call to mind the article or the firm whose announcement it may bear, and to keep the name of such product or company within the view of the purchaser.

CALENDARS.

The calendar strives for similar results, and if attractive enough to be retained, is a popular means of calling attention to its legend repeatedly during the year. The popular distribution of calendars has been carried to such an extent that considerable waste has resulted.

B L O T T E R S .

The blotter as well as the calendar is a useful article and if a business concern can keep its name before a desirable customer by its distribution, the final result may be, in some cases at least, a conversion of a possible or occasional purchaser into a steady customer.

M I S C E L L A N E O U S D I S T R I B U T I V E A D V E R T I S I N G .

This thesis on account of limited space must exclude such media as fly-leaves of books, program and score cards, business and political cards, fans, picture cards, post-cards, telegrams, coupons etc. The common use of wrapping paper, however, calls for an appropriate quotation from the Chicago^{AP} Gazette, which is as follows: "Most people are extremely averse to carrying a package upon which is a store's conspicuous advertisement, often so much as to absolutely avoid making further purchases."

S T A T I O N A R Y A D V E R T I S I N G .

The national expenditure for advertising, while being devoted largely to distributive media, leaves a fairly large and increasing proportion of the remainder to stationary advertising.

The bill-board is commonly considered the leading medium of this second division of advertising. The poster, while one of the oldest forms of publicity, did not assume any high standard until the appearance of Cheret's posters in France about 1867. Since that time, despite stormy opposition and legislation the poster has increased and has improved in quality as an advertising medium. The opposition to it has resulted in its higher moral and artistic standard and the removal of objectionable language from the contents of the poster. These improvements have permitted this method of business publicity to increase in value until now it is estimated that \$75,000,000.00 is expended annually for bill-board advertising. This advertising is fostered by the Associated Bill Posters' and Distributors of the United States and Canada. This association has established a strict censorship over all advertisements which are posted upon the bill-boards belonging to its members. R. J. Gunning, of the Gunning system of Chicago, expressed the attitude of his fellow-members of this society in a letter to the writer as follows:

"In this connection it might not be out of the way for me to state that our standard is constantly increasing. The grade of our work and of the pictorial designs are really works of art. We have always refrained from painting upon our bulletin boards advertisements of any objectionable nature. Many of the patent medicines, which give objectionable testimonials and statements which are printed in all of the leading and best newspapers in the country, are refused by us, wherein they refer in any manner to the treat-

ment of the diseases of men and women. If we would permit this class of medicine makers to occupy our boards, we could hardly supply the demand for space.

"The writer in conversing with one of the school principals in this city a short time ago was informed that a class of young pupils were requested to bring in a sketch of familiar objects or scenes, and to his surprise a very large per cent. of the drawings were taken from cut painted advertisements upon the boards adjacent to his school house.

"I do not think that we make claims that cannot be substantiated when we state that our high grade designs and color schemes are not alone exceedingly attractive, but have been the basis and incentive to the initiative development of artistic natures to the younger people in the cities where plants of this nature exist."

It is estimated by Prof. Walter Dill Scott, an advertising authority of the North Western University faculty, that eighty-five per cent. of the public are uninterested and irresponsive to appeals of a sympathetic nature made from bill-boards.

The indifference of the public to this method of business enlightenment is, however, partially overcome by a bright, attractive, cheerful, forceful design combined with a catchline, printed in harmonious colors and easily remembered. A poster of this kind is easy to look at and difficult to avoid, because its large size makes it like a "search light in darkness." It drills deep into the memory of the passer-by some story, name, phrase or trade-mark

until it becomes a part of the sub-conscious knowledge of the erst-while stranger.

The poster is the "brass band of an advertising campaign." It tells its story in a most effective manner, when it utilizes but few words and a direct, affirmative command. The pictorial art has a special value when associated with these few words, for then the whole story may be comprehended at a glance. Illustrations must not be too stiff, unnatural and mechanical, but must be attractive and devoid of gaudy or repulsive features.

An attractive poster from a psychological standpoint is valuable for its big, sudden effect. The first blow is palpable, but frequent sight of the same poster causes it to become less noticeable. The effectiveness of bill-boards is greatest when it is used with newspaper and magazines, although bill-boards as neighborhood media are quite a pulling force in themselves, if properly used.

The future of bill-board advertising promises a rapid development similar to that of the past forty years. The advertiser is more and more to recognize the fact that out-door advertising should bear the same relations to streets, buildings, etc., as decorations to the interior of a house.

The tendency toward better service is noticeable almost everywhere, and with improving conditions and under proper restrictions and regulations, bill-boards will continue to be a potential factor on account of ~~the~~ large size, small cost, and artistic effect.

LANDSCAPE ADVERTISING .

One of the most distasteful and unpopular methods of publicity is that of desecrating the works of nature to convert such things as handsome rocks into bill-boards. This practice has been very extensive, but the desecration has progressed to such an extent that laws are now coming to Nature's assistance in maintaining the beauty of our landscapes.

DEAD WALLS .

The use of dead walls was one of the earliest, as it has been one of the most popular forms of conspicuous advertising.

The size, permanency, possible attractiveness, and impressive qualities of a wall sign have caused it to be adopted as one of the staple forms, for which large sums are expended annually. The same objections applicable to bill-boards are equally forcible when considering dead-walls.

PAVEMENTS .

The city pavements are said at certain places to resemble prostrate sign-boards. Pavements have been utilized to a great extent the past few years for advertising, either permanent or temporary in character. The value of this kind of publicity lies in its size, attractive power and its effectiveness as a guide to

the location of a business house.

T H E A T E R C U R T A I N S .

The theater curtain advertisement is out of place and should go, because the public does not care to read the same signs night after night and year after year. Hotel registers, business cards, and business directories to a less extent are coming into disfavor with the merchants and are being discriminated against by their associations.

A D V E R G R A P H .

The adverggraph is an automatic device operated by its own mechanism. A small electric motor unrolls twenty-different posters, one after another, each being displayed nine minutes.

It is claimed for the adverggraph that it economizes space, trouble and expense and that it solves the problem of making the most of scarce and costly space.

W I N D O W D I S P L A Y S .

A publication called Brains on October 21, 1899, estimated that there were 750,000 store fronts in the United States, and another authority placed the cost of window display arrangements

at \$75,000,000.00. Within the past few decades, window decorating has become recognized as an art, and experts in this line now receive excellent salaries for their work. Window displays merely supplement the advertisement in newspapers. A vigorous and skillfully executed advertising campaign, backed up by a fine window display, is an immense factor in the successful solicitation of business and especially holiday trade. To be sure, the material used is different, but the same principles, which make an advertisement effective in a newspaper, makes a good one in the window.

It is well for the merchant to remember "make the most of your windows and you will find more to do in the store". Retail shops of modern size find it profitable to change window displays about twice a week, Friday, Saturday, Sunday and Monday are the days for displays of moderate priced goods owing to the working people's tour of inspection and purchase. The other days are devoted to higher class goods.

Dr. Sidney Sherman, formerly of the University of Pennsylvania, in an article in 1900, forcibly summed up the value of the window display as follows:

"In retail merchandizing store and window display is second only to newspapers in its importance as a means of advertising. The spacious and well-lighted store, with convenient floor plan the systematic and attractive arrangement of goods upon shelves and counters, plainly linked with the name and price, the general neatness of the clerks and surroundings all act as a standing invitation to the public to come in and buy. Special displays in

panels of the interior of street-cars, interurban, suburban cars, etc.

Street-car advertisements have been in existence for about twenty-five years, but the advertisers began to regard them as a standard medium with the invention in 1889 of the common curved carrack. By 1903 the annual expenditure for this method of public enlightenment had increased to \$5,000,000. The growth and handling of advertising of this kind since 1875 has caused it to be thoroughly systematized, and consolidated in the hands of a few companies, which purchase the advertising rights of the street car corporation by the year.

In cost and circulation of street-car advertising there are some surprising figures based on the work of the census bureau. About 32,000 closed street-cars are operated in the United States, each of which is replaced by an open car in the summer. In 1902 there were paid in the whole country 4,774,211,904 cash street car fares without transfers--for perhaps seventy-five per cent. of these fares represent two rides--gives 401 passengers per day to each car, or 146,365 per car per year. For \$150,000 it is possible to maintain a card in each of these cars for a whole year.

These cards are not only expected to attract a tention, b t to hold it and then to convince. If this can be done, street-car advertising becomes an independent medium sufficient in itself to sell goods. While these cards are often made amusing by means of jingles and nonsense, the average car advertisement gives too much fun, too many colors, too little type; too much design and too

the stores are made at openings, held at seasonable times. Crowds throng the stores on such occasions."

OTHER WINDOW ADVERTISEMENTS .

Window posters, window cards, and show cards are valuable factors in producing the best results from displays. The window cards are often an announcement of some event and not necessarily convey any information about the store in which it is placed. It does not mar the effectiveness of a window display because of its small size, and placed in attractive surroundings, receives an unusual amount of notice.

LITHOGRAPHS .

A carefully prepared lithograph placed in attractive surroundings exerts influence similar to that of the window card. A descriptive and forcible picture should be given the most prominence in the lithograph, yet there should be a considerable portion of space devoted to appropriate descriptive matter.

STREET-CAR ADVERTISING .

Under the caption of street-car advertising is included all advertisements of a similar nature to those found upon the

little reason. It fails to clinch, as the Sapolio people themselves acknowledged by their own advertising. "Spotless Town" methods did not profitably market that article and when Hand Sapolio was introduced a complete change of tactics was resorted to. A common fault with street-car advertisements is that they fail to tell why the goods should be bought. While it is difficult to check the returns to this form of advertising it enjoys a valuable and increasing patronage on account of uniform display, prominence of position, the advantage of color and the susceptibility of the patrons of the car line.

Large exterior signs fastened to the top part of the car, street-car transfers and street-car tickets are minor street-car advertising media.

M I S C E L L A N E O U S S I G N S .

Miscellaneous signs of various kinds some-what resemble those found on the exterior of street-cars. Electric signs are one of the leading kinds classed under this heading. They are only of recent origin and while easily varied as to content, are stationary. The cost of maintenance is said to be slightly less for the changeable signs, than for the stationary kind, because the former have on an average only seven or eight lights to the letter, while the latter have twelve to fourteen. The purchasing public has higher regard for the merchant who is not afraid to apply bright white lights to his store. Considerable skill is requisite for an ef-

fective arrangement of the lights.

S H A D O W S .

A peculiar feature of an advertising campaign was that of the shadow advertisements in the Chicago tunnel, which advertisements were declared unprofitable by the Washington Shirt Co., after they had tried this method for some time.

S T E R E O P T I C O N A N D B I O G R A P H .

A consideration of the stereopticon and biograph indicates that the former has had a greater existence as an advertising medium and that it is especially adapted to the use of advertising lands. The latter, however surpasses it in value for advertising on account of the actual life-like and movable qualities, which make the biograph so valuable and realistic.

P E R S O N A L A D V E R T I S I N G .

Personal advertisers are all individual persons, who by their voices, gestures, or other actions, by wearing or carrying advertisements, or by showing goods which they carry with them, attract the desired attention. This class of advertising representatives are still to be found in large, though decreasing numbers.

They appear in one form or another such as the sandwich men, guides, pedlars, etc. The most important class of advertising done by the media of this kind is that of the commercial salesman.

There are about 300,000 of these salesmen, whose business expenditures are estimated as high as \$700,000,000, \$350,000,000 of which is spent for publicity purposes. Some large business houses have discarded drummers altogether and sell their goods by means of catalogues and the follow-up system, which to a limited extent tends to eliminate the commercial traveller. It can be stated more truthfully that the follow-up systems are a valuable assistance to the commercial men in procuring an increased number of orders and in establishing the trade of a company. It is true, however, that the producer by advertising direct to the consumer, with an established trade-mark as an asset, suffers not as much as the non-advertiser in loss of prestige due to trade combinations, competition and adverse influence of "drummers" and retailers. The store salesmen are classed under the division "Personal Advertising" to the extent that they, like commercial travellers, influence the customer to purchase a certain kind of goods either by verbally explaining the superiority of that kind or by demonstrating it.

DEMONSTRATIONS .

Demonstrations of products of the industrial world have

become very common. Young women have been so extensively employed in this business, that a national school of demonstration was established at Boston, Massachusetts, a few years ago. The effectiveness of demonstrations seem to indicate that, as in the case of samples, each subsequent covering of a specific territory is at a relatively higher cost per demonstration owing to a decreasing per cent. of results. The fact that over 10,000 persons have been employed annually in this business during recent years, indicates its effectiveness and profitableness of demonstrations.

INDIRECT ADVERTISING.

By indirect advertising, the fourth kind in our classification is meant those kinds which are not paid for directly as advertising. Innumerable methods of indirect advertising amount to millions and millions of dollars annually. A thesis discussing "Social Justification of Advertising", cannot go into detail about the media of indirect advertising further than to enumerate some of the topics, which might be capable of further development. Some of them are free-write-ups; large, beautiful and imposing business buildings; adoption of articles designed or made by specialists; the presentation of large gifts; the inspection of ideal manufacturing plants; publicity gained from engagement in war; bulletin service of war, athletic and other interesting events; the telantograph, a modern advertising device sometimes classed as first cousin to the telegraph and the telephone; trading stamps,

temporary stimulators of trade; united States government souvenir stamps; expositions, exhibitions, exhibits, fairs, carnivals and similar attractions; entertainments of innumerable varieties in departments stores or under management of business concerns, including theaters, vaudeville performance, play-grounnds, special music, ponies, and merry-go-rounds, paintings by artists, concerts, chalk talks, rides on minature electric railways and a great variety of similar attractions; use of articles by famous men such as pianos by piaraists, art galleries; trade-conventions, such as the semi-annual furniture dealers' and buyers' conventions; athletic victories; unusual acts and deeds, and exposures of illegal and non-ethical business practices, (insurance and Standard Oil Companies.)

The expansion of these ideas offered to any person concerning the value of advertising as a social, industrial and political factor shows its universal effect on conditions in general.

Owing to the writers definition of adver ising his discussion will be confined to this consideration of the value of advertising in selling goods. The subject of indirect advertising is therefore of comparatively small importance, in the present thesis and calls for no further discussion.

A T T I T U D E O F G O V E R N M E N T A L I N S T I T U -
T I O N S T O W A R D S A D V E R T I S I N G .

I N T E R N A T I O N A L A D V E R T I S I N G .

Many kinds of advertising are utilized by American merchants in marketing their goods in foreign countries. A large amount of this publicity is regarded by international trade authorities as unprofitable and detrimental to the commercial interests of the United States. It is for this reason that the federal government, by assisting in the support of international fairs, and through its counsuls and commercial agents, has attempted to suggest remedies for present advertising practices abroad. These recommendations take into account the indirect evil effects of the American style of advertising and generally suggest the following reforms: (1) A little more pluck and adaptability, combined with a knowledge of foreign language, tariff and trade requirements; (2) An absence of prejudice against the metric and decimal systems as well as foreign credit practices; (3) A desire to accommodate as far as is possible the buyer abroad, and when consistent with one's own interests, to consult the buyers convenience, not the producers. (4) A recognition of the fact that to advertise products profitably, you must address the buyer in his own tongue and writing, and be represented abroad by agents capable of addressing the native in his own language, which invariably appeals more forcibly to him than a foreign tongue; (5) Eliminate the advertising media printed in the English language unless

appealing to an English audience and thus save a large percentage of the foreign advertisement appropriation; (6) A prompt execution of orders, goods packed according to the desire of the customer, a thorough knowledge of consular invoices, specifications, and above all, the shipment of goods in an irreproachable condition. These reforms do much to remedy present evil advertising effects resulting from failure to comply with such requirements.

The Americans have suffered to an unusual extent on account of non-observance of one or more of the six classes of reform, but the United States government seems at last to be reforming its international advertisers by co-operating with the exporters in bettering American advertising conditions abroad.

N A T I O N A L A D V E R T I S I N G .

Considered internationally, the nation's trade depends largely upon individual pushing in various lines with the assistance of the federal government, while considered nationally the nation booms its resources and products rather than any individual business. In order to do this taxes are sometimes levied upon the people, as in the case of Canada, which has spent several hundred thousand dollars annually to inform residents of the United States and other countries about its resources and people.

The United States government has not adopted the practice of taxing its citizens for advertising purposes, except in cases of international or national expositions, but the States offer

examples of this practice. The legislatures of Nebraska, Oregon, and Georgia are among those which have adopted this practice. All states levy taxes for expositions, at which their resources are often attractively displayed. State advertising at present is in a chaotic condition but the dawn of a brighter, more profitable and wiser future seems to be approaching. Safer methods more aggressiveness, and persistent, continuous, sincere and resonable praise of the political, industrial, social and economical conditions of the states result in successful and encouraging returns.

M U N I C I P A L A D V E R T I S I N G .

The chaotic conditions characteristic of state advertising apply also to the county and municipality. Briefly summarized, in order that the county or municipality may reap rewards of a permanent, profitable and desirable nature, they must observe the following rule: Just as the most progressive and successful business firms are those whose publicity forms the biggest segment of their business circle, so in the course of municipalities, the longest forward strides are made by those which intelligently disseminate particulars of what they can offer to attract capital or population.

RETAIL MERCHANTS AND
ADVERTISING.

Associations of merchants very commonly relieve the municipality or county from the advertisement of their superior advantages, and resources. In order to enlighten an interested public they appeal to them through newspapers, magazines, other periodical journals, through pamphlets, booklets, circulars, leaflets, exhibits, letters and other media.

Many municipal advertising campaigns are supplemented by features peculiar to a city or locality, such as the Indian war dances at Hobart, Okla. Various attractions are offered to draw people to a town or city. These attractions may be for the direct purpose of adding to the population, or they may be for the purpose of bringing trade to the city or town. Besides offering these attractions merchants often resort to accommodations of customers to secure their patronage. Railroad or street-car fare is often refunded and the trader's team is taken care of; rest rooms are provided for the out-of-town buyers and numerous other methods are adopted to please and satisfy this class of purchasers.

Competition has caused the merchants' associations to protect themselves by these direct and indirect methods of advertising. These methods have resulted in a noticable development in advertising campaigns carried on by commercial organizations. A common method for the business man is to answer and to write his correspondence on stationery, the back of which exploits the advantages

of the particular municipality concerned.



COURT HOUSE



NORTH MAIN FROM WASHINGTON



NORTH MAIN FROM FRONT



JEFFERSON STREET LOOKING
WEST FROM MAIN



HIGH SCHOOL



ILLINOIS HOTEL



PUBLIC LIBRARY



HILLS HOUSE

BLOOMINGTON, ILLINOIS—It's Commercial Manufacturing, Educational, and Social Advantages



BLOOMINGTON, located in the center of the greatest agricultural district in the United States, with ten diverging trunk railway lines, offers special advantages to manufacturers and jobbers, being one of the best distributing points in the state, and, including Normal, has a population of 37,000 people.

Our manufacturing interests are diversified, no special lines being carried on to the exclusion of others. First, we may mention the mammoth shops of the Chicago & Alton Railroad, which employ from 1,600 to 2,000 men in the various departments. They have invested in the city not less than \$5,000,000; their employees alone would make a city of 8,000. We have two Furnace Foundries employing 250 men; two Stove Foundries employing 200 men; 75 people are employed in a Medicine Factory; 150 people are employed by one Printing and Stationery Company; and several others doing a thriving business; a Pickling Company employs 25 men in the manufacture of vinegar and packing of pickles, using the entire crop of 350 acres. Bloomington has the largest Nurseries in the state, comprising over 1,000 acres, necessitating the employment of 600 persons; a Caramel Factory employs 250 people; and 150 men in other candy factories; 75 are employed in an Overall Factory; four Wood-working establishments employ 100 men; eight Brick Yards employ 500 men and manufacture 50,000,000 brick annually; one Brewery employs 100 men; eighteen Cigar Factories employ 500 people; the Pork Packing Company employs 150 men; two Flour Mills employ 150 men; a factory manufacturing Grocers' Specialties employs 25 people; a Canning Factory employs 500 people during their season, and uses the product of 3,000 acres; Builders and Contractors employ 1,000 men; a Coal Shaft employs 500 men and hoists 700 tons per day; one Vehicle Manufacturing Plant employs 150 men; a Sun-Bonnet Factory employing 60 people; one Portable Elevator Company, employing 50 men; a Gas Iron Foundry employing 10 men; while there are boiler-works, marble works, gas factories, gate factories, heating and electric light plants, and a very large number of other establishments which employ hundreds, if not thousands, more.

Our Wholesale Grocers, Farm Machinery, Dry Goods, Confectioners, Flour Mills, Hardware and Mill-wrights operate in several states and are among the largest jobbers in Illinois.

We have seven banks—three National and four State—with a combined capital and surplus of \$1,700,000, and deposits of \$5,000,000,00.

Bloomington is the home of over 350 commercial travelers.

Our Newspapers cover the field more thoroughly than any in the state outside of Chicago.

We have eight good Hotels—two being new—fire-proof and first-class in every respect.

The Public Schools of Bloomington are the pride of its citizens, and their high degree of excellency is recognized by educators everywhere. We have one high, twelve grammar, three parochial and several private schools, 5,000 pupils and 120 teachers; a commercial college, a college of oratory and a college of music.

The Illinois Wesleyan University, founded in 1853, numbering a faculty of twenty-one and an attendance of 500 students. It affords a curriculum (preparatory and collegiate) which is both satisfactory and thorough.

Located at Normal, two miles from our court house and connected by an electric railway, is the State Normal University, which has long been known as one of the best institutions in the Union for the education of teachers.

The Illinois Soldiers' Orphans' Home is also located at Normal.

Bloomington has thirty-two churches of varied denominations.

The magnificent situation of Bloomington, in the center of the richest agricultural regions of the world, makes its future growth a certainty. It has a reputation throughout the west second to none of its size for being well lighted, well paved, and for its pure water. It is the birth-place of the improved form of brick paving, and at present no city of its size has as many miles of brick pavement.

We have three large parks, one of the best selected public libraries in the state, and several law libraries; commercial club rooms, two opera houses and several commodious public halls, and a fine electric car system having twenty miles of track.

Officers

SAMUEL R. WHITE, PRESIDENT
JOHN EDDY, 1ST VICE-PRESIDENT
T. A. DRALEY, 2D VICE-PRESIDENT
R. F. EVANS, TREASURER
H. B. HARWOOD, SECRETARY
R. F. BERRY, COR. SECRETARY

The Business Men's Association
Bloomington, Illinois

Directors

DR. J. B. TAYLOR J. J. CONDON
W. K. BRACKEN DANIEL HOLDER
JOHN J. PITTS D. C. HERRICK
J. W. GRAY A. E. EBBE
L. B. MERWIN G. H. MILLER
B. S. GREEN F. H. FUNK

12/4/05

Mr Geo Chapin
Champaign

Dear Sir

In reply to yours of even date say the show
that will start this Eve and last untill Saturday night
is given in the Coliseum, ^{Bldg.} under the Auspice of the
Traveling Men or T. P. Assn. Called the Mid Winter Carnival.
and I have no doubt many points in advertising can
be picked up, while it is a local affair yet there
will be many people here from the surrounding towns.
the show will run all day and up to 12 P.M. each night
selling Booths, Exhibits & many free Exhibits, and side shows
will be on tap all the time, I have not any ^{of the} add. Mats
or would enclose some, I trust you will pay them
a visit and if you have time would be pleased to
have you call at my office 233 Unity Bldg,
Yours Truly R. F. Berry Sec

Envelopes on the unaddressed side are also commonly used for the same purpose as in the case of Bloomington, Illinois.

The advertising benefits of the Chambers of Commerce and similar societies, however, are more evident when one considers the vast sums of money that are saved to the merchant by prohibiting him from contributing to wasteful advertising enterprises, and doubtful charity propositions.

The success of these associations, which are found in many cities of Illinois and other states, is shown by the letter from the secretary of the Galesburg Retail Merchants' association, which is inclosed.



Galesburg

Retail Merchants' Association

SENIOR CHARTER MEMBER OF THE
RETAIL MERCHANTS' ASSOCIATION OF ILLINOIS



(INCORPORATED)

ORIGINATOR, DEVELOPER AND LOCAL DIRECTOR OF THE GALESBURG CREDIT RATING SYSTEM

OFFICIAL COURT REPORTER

ASSOCIATION OFFICERS

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ANDERSON - Vice President
V. OLSON - Secretary
J. GOLDSMITH - Treasurer
T & FRANK - Attorneys

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GALESBURG, ILL., Dec. 17, 1904

Mr. George Chabin,
Champaign, Ill.
Dear Sir:

Your letter of December 14th. is at hand and contents carefully noted, as per your request I will endeavor to answer your Questions relative to the action taken by the Galesburg Retail Merchants Association on Unprofitable Advertising. During the Fall and Winter Months of 1901, as Secretary of the Galesburg Association I volunteered to canvass the City Business Districts and collect data for an Article on Unprofitable Advertising. This paper was afterwards read at our Annual meeting held on January 23-1902.

I called on Merchants of all lines, large and small in order to make an honest comparison, in each and every instance the Merchants were asked to refer to their Expense Account for the Year 1901, the results were startling and proved an eye opener to the entire Association Membership.

During this Canvass I encountered many interesting conditions, I will only make mention of two or three as time and space will not permit lengthy remarks. In one case the Firm had done a trifle less than \$14,000 worth of Business for the Year, the Advertising Expense Account showed that after deducting for News Paper Ads. and Strictly Individual Advertising, there still remained nearly \$480 to be divided up among scores of other forms, principally Programs of many kinds, Foreign Canvassers soliciting Advertising, Fraternal Societies, Prize Donations, Church Fairs and Ticket Sellers of all kinds.

In Case two I found a Firm Ranking Third in their Line who had during the year contributed \$200 to one Medium alone and a total of Several Hundred Dollars to scores of others. In case Three upon canvassing the Ticket Question, I Learned that a Society from one of the Smaller Churches had sent out Canvassers with positive Instructions that Two Hundred Tickets must be sold to the Business Men, and it is well to remember that there are twenty-five Churches in the City. Ticket Committees for the so called Church Fairs, Bazaars, Contest Prizes, Benevolent Societies, Industrial, Organizations, Benefit Ball Tickets, Raffles, and many other kinds were as common callers as the Postman, in short the average Merchant would contribute from \$5.00 to \$10.00 per week to these classes alone.



Galesburg Retail Merchants' Association



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GALESBURG, ILL., Dec. 17, 1904

These facts proved the foundation of united action by the Retail Merchants Association against indiscriminate Advertising and Donations. During the year 1902-3 & 4 we can truthfully say that this Association with its 200 Members has saved our Business Interests more than \$10,000 per Year. In some Individual cases large Merchants have saved from \$500 to \$1000 per year. The Classified list (found elsewhere) as originally acted upon has been largely increased until now it practically covers everything but the News Papers and strictly Individual Advertising Methods. It is a Positive and almost daily proven fact that no Professional Advertising Solicitor from out of town, can secure any Business from our Merchants until he has an endorsement from our Association Secretary, in the form of a letter authorized by our Advisory Committee. During these three years only two Such Letters have been issued, one to "The Gale" of Knox College and the other to the "M.E. Church Chautauqua", these were both given in the year 1902 and before our plans were completely matured. Since that time Hundreds of Foreign Solicitors have been compelled to leave the City without any success in their lines.

In several instances both the Secretary and Association has been threatened in various ways. Large Chicago and New York Advertising Agencies have sent some of their best material to this City to endeavor to break the agreement entered into between our Merchants. I recollect one instance in particular where their representative said the Firm he represented backed by other similar concerns would spend Ten Thousand Dollars in order to wreck the Galesburg Retail Merchants Association, as it interfered largely with their Business not alone in Galesburg, but in various parts of this State, another coterie of Gentleman stated that it was in their power to make Galesburg a place to be abhorred by all intelligent and fair dealing Classes, but Galesburg is still on the Official State Map and doing Business at the old stand.

A Telegram is on file in this Office signed by the Management at Home Office of the "Dry Goods Economist" in New York City, (probably the largest Trade Journal in the United States), stating that One Hundred Fifty Telegrams had been sent to all parts of the United States relative to some of the most vicious Trade Abuses, the replies indicate that there are but two or three Cities out of the One Hundred Fifty that are as well protected against these Trade Abuses in general as this City is.



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GALESBURG, ILL., Dec. 17, 1904

Our Association experiences no difficulty whatever in checking outside Canvassers, who come here to solicit Advertising under all kinds of disguise. During the past two weeks we have forced four different Solicitors of this kind to abandon their work in our City. It is true they were partly successful in a very few cases with New Merchants, due wholly to the fact that they were canvassing in the so called interests of different Churches.

As an inducement small cash donations had been made for the privilege of using the Church Names for prestige during their Canvass. They also secured letters of endorsement from the Pastor and Officers of the Ladies Aid Society, but in spite of these alluring conditions they were unsuccessful and incidentally this Association still retains the Good Will and Moral Support of the different Pastors and Members of these same Churches.

This can only be accomplished in the following manner: as the occasion requires, I make a personal call and explain the method and purpose of the impostor, to the Pastor and Officers of the Church interested and in every instance they readily acquiesce in our plan of checking these outside Canvassers. The stamping out of these Commercial Leeches then becomes an easy matter.

Association plan of procedure, every Member when called upon by any Advertising Solicitor or Canvasser (excepting Legitimate work of the Local News Papers) first inquires carefully into the details of plan proposed, then they ask if the Medium is endorsed by the Retail Merchants Association, if not they refer the party to Association Secretary with the kind invitation to call on them again. The Merchants contend that a worthy Medium will bear investigation and be benefitted thereby, if unworthy no one desires its circulation.

After the Canvasser has left, the Member instantly notifies the Secretary's Office, it then becomes my immediate duty to ferret down the Man or Woman and their proposition. I do not hesitate to say that practically in every instance we have proven that they practiced unfair methods, such as Deceit, Untruthfulness, Charity Cause, Gross misrepresentation, Threats, Non-fulfillment of Contracts, Unsatisfactory settlements with Advertisers, Publishers, Churches and various Organizations interested. During the past three years several Hundred of these Foreign and Local Professional Solicitors and Beggars unworthy of patronage and support have been successfully disposed of.



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GALESBURG, ILL., Dec. 17, 1904

-4-
It must not be understood and we caution you to not leave the impression that our Merchants, Business and Professional Men refuse assistance to the Churches, Colleges, and Charity Organizations, quite the contrary, our Merchants and Business Men have the reputation of generous liberality in supporting these varied Institutions with regular interval cash donations.

During the past year I have been solicited many times by different Trade Journals asking me to supply Articles on Association Work for Publication, I feel it my duty to first of all furnish such to the Journal of the Retail Merchants Association of Illinois and owing to the numerous inquiries received at this Office, relative to this same Subject, I have practically decided to comply to the request of the Editor of said Journal the topic to be "Unprofitable Advertising". This will probably appear in the December Issue and will contain a History of the progress of the work as carried on by the Galesburg Association.

Accompanying this letter you will find a printed sheet explaining the Origin of this work, which was drafted in 1902, since that time the classified list has been largely increased until at present time the Association recognizes News Paper Advertising as gilt edged, also Individual originality in attractive Sheet or Pamphlet Form with only one Firms Advertisements thereon, these two are supreme, Bill Boards are considered valuable but entirely to expensive for the average Merchant. For further information I advise you to call on Mr. George Rose, Secretary of the Retail Merchants Association of your City.

Hoping this will furnish you the desired information, I am,
Yours very truly,
Nels W. Olson, Sec'y.
Galesburg Retail Merchants Ass'n.

P.S.— I should be pleased to receive a Copy of your Article from your hands in whatever form it may be printed. Thanking you in advance for this.



While the Galesburg letter indicates and suggests the great saving of advertising waste brought about by these merchants' associations, the full text of the Peoria Retail Merchants' association is inclosed in order to show just what kinds of advertising are discriminated against. The resolution is as follows:

RESOLUTION .

I.

Whereas at a regular meeting of this Association held on January 28, 1902 the following Resolution was passed by unanimous vote:

The following Resolutions were offered by Mr. Lee:

"Resolved, that inasmuch as small advertising, such as school, fraternal, society, musical and church programmes is an expensive way of advertising and does not bring about the good results that other advertising does, and that the buying of tickets to fairs, sociables, balls and other entertainments, for which the Merchants are continuously solicited, is an evil that ought to be suppressed, therefore be it

"Resolved, that the Merchants agree to discontinue advertising as before mentioned and stop the buying of Tickets."

After some discussion, this Resolution was voted upon and unanimously passed with the following amendments, namely:

"That the Corn Carnival Premium list be not included in the programmes that we are not to advertise in," and

"Whereas, we believe the same has been instrumental in saving to the Retail Merchants of this City a large sum of money, which would have been spent on injudicious advertising propositions, and

"Whereas, benefits have been realized, yet there exists in the minds of some of our members a doubt as to where to draw the

line, be it therefore

"Resolved, that the following items be and are hereby declared to be injudicious advertising propositions, and that our members refrain from patronizing the same:

Programmes of all kinds, viz:

Chautauqua

Opera House

Race Course

Scoring Card

Circus Day

Field Day

Base Ball

Foot Ball

Labor Day

Special Day Celebration

National Holiday Celebration

Excursion Day Programmes

Foreign Canvassers soliciting advertising of all kinds."

Hotel Registers and Bulletin Play Card Adv. of all kinds.

Advertising in Society and Trade Directories.

All Religious and Professional and Educational publications not approved by the Advisory Committee.

Donations to Church Fairs, Bazaars, Suppers & Social benefits of all kinds.

Donations to contest prizes of all kinds, excepting such as may be recommended by the Advisory Committee.

Tickets for Raffles and Lotteries of all kinds.

Tickets to any entertainments by any Society or Organization, regardless of Sex, Class, Creed, or Social Organization.

"We believe for the better observance of the above Resolution it is recommended:

1st: That all calls for Charity should be referred to the Associated Charities,

2nd: Parties offering tickets for sale should be referred to the Secretary of the local Association.

3rd: Solicitors for advertising on any of the foregoing propositions or other similar advertising, should be referred to the local Secretary, to be presented to the Advisory Committee, by the first and all the merchants so solicited.

4th: Each member should consider it his duty to aid in keeping out all manner of fakes who enter the City, and pay no Taxes, and the Secretary's attention called thereto.

5th: Recommend the appointment of a secret Advisory Committee of three by the President, to act with the Secretary on all matters pertaining to the above, and any matter not having their approval not to be patronized by the members of this Association.

6th: Upon adoption of the foregoing a copy of same to be placed in the hands of each member of the Association together with a card enumerating the items which will not be patronized."

The present benefits accruing from the policies pursued by commercial associations have demonstrated that these associations are a valuable factor in the trade-world, and are of great value to the business man, because of their stand on the advertising question. The restriction of wasteful advertising is growing more effective yet there remains an important measure taken, that is the selection of an impartial and competent committee to investigate and to determine accurately the true circulation of publications patronized by the members of the association. When this step is taken the merchant will be free to pursue a profitable advertising campaign, which will draw business to his store and to his city in an economical and successful manner.

ADVERTISING ORGANIZATIONS.

The benefits business men derive from commercial associations are often supplemented by membership in advertising organizations. During the past decade international, national, state, sectional and local organizations have become a part of the advertising force created for the benefit of the advertiser.

The recent organization of the International Advertisers' Association of America was a step in the right direction, and even though it proves an absolute failure, it will furnish a valuable foundation from which some future society of its kind may rise. The object of this international society is the same as those of

the many less pretentious organizations.

The objects of this society as expressed in its constitution are:

I.—To secure the assistance of the Department of Commerce in Washington by obtaining data both in the United States and through the Consular service abroad, in support of this important branch of commercial enterprise; a business that comprehends vast expenditures second only to that of railroads, in America, and touching every known department of commercial publicity. To secure, through the Census Department, information heretofore neglected which will be of inestimable benefit to advertisers in all branches of business.

II.—To select and prepare such information, already compiled by the United States Census Bureau, as can be utilized and adapted to an advertising statistical bureau; to systematically arrange such data for ready access and use of its members.

III.—To acquire data from a sufficient number of men and women in different stations of life, such as laboring men, skilled mechanics, clerks, salesmen in wholesale establishments, heads of departments, professional men, merchants, people of leisure, ascertaining what class of newspapers and magazines they read, also the extent to which they use advertised articles; in fact, all information that would have bearing on the subject in hand.

IV.—To secure correct statistics concerning all classes of publications, including volume of circulation, character of circulation, locality of circulation, and their relative influence in each community; to further include the relative value of morning and evening newspapers in various localities.

V.—To assist in eliminating all unreliable, objectionable, irresponsible obscene and misleading advertising, which reduces the advertising value to legitimate enterprise by impairing the public's confidence in reliable advertising, without which advertising is of slight value.

VI.—To collect and compile statistics and data relative to bill-posting in various localities; of street car advertising, and other outdoor forms of publicity, and to attempt to provide means for systematically and satisfactorily "checking" such forms of publicity.

VII.—To establish, as nearly as possible, uniform rules governing the acceptance and insertion of advertising.

VIII.—To elevate the typographical and mechanical standard of publications; the art in advertising as applied to all forms of publicity, including booklets, circulars, street car posters, etc.

IX.—To establish an equitable standard of credit between the buyer and seller of advertising.

X.—To give meritorious efforts for the betterment of any advertising conditions publicity through the association's bulletins from time to time.

XI.—To compile data relating to the comparative cost of selling advertised and non-advertised goods.

XII.—To note the effect of trade combinations, with particular reference to the increase or curtailment of advertising opportunities.

XIII.—To carefully watch the development of transportation facilities with reference to changing conditions and to the opening of new markets.

XIV.—To study the changing conditions of markets both in the United States and abroad with reference to the opportunities such markets afford members of the association.

XV.—To ascertain with the greatest possible accuracy the specific conditions, habits and requirements of the inhabitants in different sections of the world.

XVI.—To collect data for the benefit of producers and manufacturers that would enable them to take advantage of native products and resources, which, when properly advertised, would successfully compete with imported goods.

XVII.—To prepare a record that will include all general advertisers now in existence, and as new general advertisers come into the field, make a record of same, giving the general character of their advertising, space and mediums used, through what sources their business is placed, and all such other information of value to the Association as advertisers will furnish.

XVIII.—To investigate lines of business which have been advertised successfully in the past, and which are being advertised at present, to demonstrate that the lines of business thus advertised have reached a pre-eminence over other lines of business that have not and are not now being advertised.

XIX.—To investigate lines of business that have been advertised unsuccessfully, and to ascertain the reason for such failure for the benefit of members.

XX.—To investigate lines of business not now being advertised and to furnish data which would encourage such lines to advertise.

XXI.—To establish through the Association, a Board of Arbitration to settle disputes between advertisers and proprietors of advertising mediums.

XXII.—To collect and codify all legal proceedings that affect advertising interests.

XXIII.—In fact, to collect data and information from every possible source and standpoint, of value to advertisers and advertising interests. Information thus compiled by the Association to be for the exclusive use and benefit of the members, the association to issue bulletins from time to time for the information of members, and to supply members with important information as emergency may demand. Members are privileged to make any inquiry of the association and have access at all times to information that may be of value to them.

We believe you will readily recognize that the collection, compilation and classification of such data, so as to make it readily accessible to the members of the association, will confer upon the advertising world a service and benefit that few advertisers at their own cost could afford to secure.

Within a recent period the existence of any advertising clubs varying in membership from those national in character to those of a special character in a single locality, has been brought about largely through a truer realization of the value of advertising as a factor in business success. This realization has led to a desire on the part of the advertiser to learn more about advertising. His wishes are partially satisfied by becoming a member of one of these organizations, where good fellowship exists between the business man the publisher and the agency. A friendly interest is displayed by each for his business associates, bitterness of competition is eliminated, and the merchant and manufacturer realize that the publisher and agents are as a class, competent, and honest sellers of space. They further learn that they are not defrauders and dishonest people, and that publishers and agents are willing to assist the merchant or manufacturer to produce the best advertising results for a just remuneration.

In conclusion a consideration of the present value of organizations seems apropos. These societies, when properly conducted are justifiable in that they offer a means to the advertiser of learning how publicity appropriations are most profitably and judiciously expended, by instructing him in a more intelligent use of space, by assisting in protecting him from fraud, and by pointing out the best media and the best means of using them.

THE ADVERTISING SHOW.

Besides advertising organizations, created partially at least for the purpose of instructing the advertiser, in the art of publicity, the national advertising show is proving to be of much benefit to him. At these shows, which were started two years ago in Chicago, the advertiser is shown the best kinds of displays and the latest forms of publicity. Talks on advertising, which are both interesting and instructive, are given in connection with the show for the benefit of business men.

THE ADVERTISING FORCES.

THE ADVERTISING AGENCY.

The development of advertising as a branch of distribution has created a number of advertising forces, chief of these, and one of the most important factors in the advertising world, is the advertising agency. A successful agency will place the advertiser's business in such a manner that he will obtain the best results for his appropriation. The fact that many illegitimate and fraudulent, as well as irresponsible agencies, have sprung into existence, make it necessary for the advertiser to select a financially responsible and a reliable agency to handle his business.

It has been estimated that ninety per cent. of the business placed by agencies has proved unsuccessful. Many prospective

advertisers have given up this means of enlarging their business as a result of their experience with unscrupulous, irresponsible and incompetent agents. Publishers, especially have it in their power to crush agencies of this nature. If they refuse to deal with questionable agencies they would do more than any one force at this time to right abuses in the advertising business. At the same time they would benefit themselves and would do incalculable good for the new advertiser as well as the old ones.

As long as advertising exists the agency will have certain duties to perform. In addition to placing advertising, it also must check and key the advertisements, and in some instances write them. A small business does not warrant the assistance of an agency. The outside agency should also be eliminated from a business just at that point where a private agency as part of the business concern is more economical than that of the regular agency.

THE SOLICITOR.

The agencies and publishers are dependent largely upon their solicitors for the advertising contracts, which make their business undertakings successful. The solicitor assists in educating the business man about the financial value of advertising. As a class, the existence of solicitors depends upon the manner in which they present facts and the merits of the publications they represent. Unscrupulous solicitors representing comparatively worthless media are a hindrance and obstacle in the path of successful advertising. The solicitor presents facts to the advertiser, which will tend to convince him that the proposition in question is

the most desirable. The final test of the solicitor's value is ability to close contracts which will be profitable to his employer and equally beneficial to the advertiser by bringing to him an increase in the volume of his business.

THE PUBLISHER.

The publisher can do more to misguide the advertiser and make his publicity unsuccessful than any other factor.

Questionable publications have ruined many business men and caused many others to quit the field in disgust, they have led to unwise investments, which have ruined thousands .

Sane publishers realize that their present position in society is largely due to the advertiser and the public. For this support they have shown their appreciation by protecting their readers from unprofitable and injudicious investments in "wild-cat" schemes and in injurious and harmful articles. The publisher has absolute control over his columns, and any losses or injuries sustained as a result of abuse of this control, tends to discredit that particular publication and publications in general. To attain the best results any advertisements of questionable merit must be refused by the publisher. The protection of the readers theoretically gains for the publication an influence and confidence of particular value to the advertiser of legitimate goods.

Present conditions indicate that the advertisers and agencies must establish a censorship over the columns of publications.

The public is quite apathetic on the subject, and by its silence and patronage sanctions the present dishonest methods of some unscrupulous publishers. When they are taught that the higher ideals mean more desirable and profitable patronage and that every advertising failure works against progress in advertising, publishers will be more careful and discriminating in regard to the nature of display matter they use.

ADVERTISING RATES.

The publisher should deal with all advertisers on the same basis and the adoption of a flat rate, such as the one suggested under the topic newspapers, would enable him to do this. The small advertiser should not be discriminated against in favor of the big ones usually enjoying better service and rates.

CLASSIFICATION OF ADVERTISEMENTS.

The classification of advertising matter in magazines and other journals has raised a question as to the merit of this method. The consensus of opinion at present seems to disfavor this method because it tends to destroy the susceptibility of the reader, unless perhaps in the case of the one article, he is desirous of purchasing. It does not guarantee the careful perusal of the advertising pages that might otherwise take place.

SPECIAL POSITION.

The demand of advertisers for special position in the advertising columns has led publishers to distribute their reading matter as far as possible on the different pages, and thus tend to equalize the display value of the different pages.

CIRCULATION STATEMENTS.

State, or preferrably national, laws seem necessary to protect the advertiser from the false circulation statements of publishers, which statements cost the advertisers large sums of money annually for no returns. A uniform circulation law in charge of the interstate commerce commission, should make false statements equivalent to fraud, and should provide for the restoration to the advertiser of all money paid in excess of the true circulation of the publication. Semi-annual reports and the opening of the circulation books for inspection, after reasonable notice and at reasonable times, would guarantee the advertiser against considerable loss. It would increase the popularity of publicity by increasing the proportion of profitable returns. With the publisher befriending both his advertisers and readers and adopting higher ideals of advertising, the public will be protected, the business man benefitted, and advertising as a commercial factor will receive additional recognition for its increased value in obtaining a more economic distribution of goods.

ADVERTISING A BUSINESS.

THE ADVERTISER.

Having discussed advertising media and organizations, the advertiser himself will now be considered. The time when even a first-class article disposed of itself with opposition from a similar article judiciously advertised has passed. Advertising is now considered by many merchants and manufacturers as an increasing factor in business. From the retailer's point of view it is generally one of the three essentials of his business, the other two being merchandise and service. The average appropriation of the business man for publicity purposes varies from one-half to five per cent. Two-thirds of this total appropriation is regarded as unsuccessful and largely as a waste.

The advertisement of food, clothing and shelter products, the staples, have been as far as utilized, productive of good results. These necessities are peculiarly adapted to publicity and prospects are that more display space will be devoted to them in the future.

The display advertisement of today does not indicate the amount of time, trouble and thought that are necessary in order to produce the best results for a given expenditure. The preparation for a campaign involves the outlining of the general plan of campaign, its scope and object. The correct apportionment of the total annual appropriation is made next.

One large advertiser who spends \$500,000.00 a year distributes the amount in the following ways:-

\$300,000.00	Newspapers, dailies and weeklies;
50,000.00	Magazines and illustrated weeklies;
50,000.00	Medical journals and other scientific and unscientific publications;
50,000.00	In signs, bill-posting and the like;
50,000.00	In the distribution of lithographic pamphlets, circulars, etc.

The advertiser then decides upon suitable territory within which he can profitably exploit his goods.

The classes to be reached will influence the advertiser in his procedure. If the lower and more ignorant classes are appealed to, the advertisement by its head-line, typography and reading matter may be sensational in character. If the more conservative classes are to be the customers a sensible, dignified and persuasive advertisement will be circulated among them.

The selection of suitable advertising media and the preparation of suitable advertising literature engages the advertiser's attention. This selection should provide against duplication of territory and by all means for more than one insertion in the different publications, and for a liberal amount of follow-up literature. This literature must be used judiciously and persistently and at the proper time. A list of possible customers, as fast as obtained, furnishes an excellent foundation upon which the follow-up system can be operated and systemized.

Experiments conducted by experts have resulted in the establishment of the fact that the value of advertising space increases almost in exact proportion to the space used. It has been found that one full-page of display matter is two hundred and fifty per cent. more attractive than four quarter pages, and that two quarter pages are fifty per cent. less valuable as an attractive factor than the half-page. A small space persistently used, however, is more profitable and successful in the long run than are a few illogical attempts to create a large trade within a short time. Persistency begets admiration and confidence, while a few glaring attempts produce mistrust, unsatisfactory and only temporary returns. This does not mean that the large merchant or manufacturer should refrain from persistent use of large space in order to secure more rapid and greater returns. It does mean, however, that with a given appropriation an advertiser will do well to distribute his appropriation over a longer period and not waste it on a few spasmodic attempts to enlarge immediately and permanently his business.

It may be well for the advertiser to run special advertisements occasionally for the purpose of fully exploiting his product. By so doing he will perhaps benefit in proportion to the space used.

Having decided on the preliminary details of the campaign the preparation of the copy must be considered. It ought to be prepared in ample time in order to insure the employment of skill and care by the compositor. Proofs should be requested and returned promptly.

The object of the advertisement will be:-

To attract the attention of people without losing their confidence: to awaken their desires, and at the same time introduce a satisfying argument: to please, but not at the expense of one's purpose.--Such is the best advertising, the kind that is welcomed before and appreciated after the purchase.

The best and most profitable advertising is that kind which will tell many people at the same time, "what your name is, what you do, how you do it, what you charge for it, why they should have it and how to get it." A recipe for this kind of an advertisement was recently submitted by a prominent advertising expert and it was as follows:

"To an attractive and pertinent heading add about fifty words of straight business talk, well seasoned to taste. Strain thoroughly and remove any superfluous words. Then add the cream of the thing nicely done in italics and garnished with prices. Place in a good newspaper and let it simmer for from three days to a week, and no longer. Remove and try another batch."

There are three important divisions in a logically conceived and intelligently written advertisement. The first is the headline--appropriate catch words or initiatory phrases used to invite the attention of the reader and thus secure the opportunity of placing the argument before him. The head-line to be attractive must be original and brief. Upon its power to attract attention depends the success of the entire advertisement, for the satisfactory headlines are those which lead the reader into the body of the advertisement.

Having secured the notice of the reader by means of the head-line his attention will be directed towards the second division of the advertisement--the argument. The argument is that portion of the advertisement in which the facts of the subject of the advertisements are presented in as forcible manner as possible.

The argument, on account of the hurried readers, must be strong and convincing. It must tell the story in a clear, simple and concise manner and have the power of holding the reader's attention to the end. People will listen to a story whose import they can catch at a glance, while they will not peruse a long, closely written story. When a reader is in a hurry he is assailable with direct suggestions, preferably in the shape of a direct command, or an appeal to reason. When he is at leisure he is more readily moved and influenced by an appeal to his sympathy and sentiment. To act in harmony with human feelings, instincts, actions and responses tends to add force to argument, but to disregard human nature decreases the effect of the argument. A conscious attempt to influence the reader is not as successful by argument as by suggestion. A powerful means of suggestion is an appeal to past experience. A properly worded advertisement will contain several methods of appeal any one of which may place the reader in a mood of familiarity. When once in this mood he becomes interested and peculiarly susceptible to influence. A true knowledge of the characteristics and habits of the readers, when originally applied, tends to create individuality in the advertisement, which is a most desirable asset. Appeals made after other individuals, such as the copying of Wanamaker's advertisements, lose their originality

and are less effective.

Originality and effectiveness in advertisements are promoted by means of illustrations. It is just as true that the illustrations must be simple and distinct as it is true that advertisements must be intelligible, the letters plain and readable, and the language to the point. The illustration is a material factor in giving the prospective consumer a correct perception of the goods being illustrated. It shortens the **text**, makes the advertisement more easily comprehended, and has an unusual power of attracting attention value. One advertiser, Paul Ostrander, in his real estate business discovered that personal pictures printed in advertisements netted more returns than did the absence of illustrations. His estimate was that the plain advertisement brought only from fifty to seventy-five percentage of the answers that the inserted personality of the advertiser secured. In the use of illustrations special appeals can be made to special classes. To secure brevity of text, added interest and more forceful argument, and greater returns, the advertiser should resort to the use of illustrations applicable to the text and not to those foreign to the subject being discussed.

The use of illustrations is especially valuable in connection with booklets, folders, bulletins, etc., issued at stated intervals and usually as part of a persistent follow-up system.

The third division of the advertisement should contain the climax, or conclusion; and perhaps this is the most important part. To summarize briefly the arguments for buying the advertised articles and to leave the reader influenced to a degree which

begets action in the form of purchases, is the particular duty of the third division of the advertisement.

The limited space of the thesis permits but a sentence suggesting the importance of a system of checking and keying advertisements as a basis for a system of making safe contracts at a stated period each year to the extent of the appropriation.

The details of the campaign having been arranged, the retail advertiser must become a care^{ful} student of the goods to be advertised and see to it that the advertising is carried on in harmony with the policy of the store managers. . . An attractive window display with plenty of signs inside the store, show-cards, and price tickets, with courteous and intelligent sales-people ready to sell goods with values to back up the advertisements, and prompt deliveries, are essentials which the successful retailer must observe.

After all, it is not the black type, the heavy border, the lavish display, but the argument in the printed statement and the goods behind the counter that build up the business. . . Judicious advertising will call for a direct appeal on the part of the business man to the consumer and thus bring the manufacturer and retailer more co-operative action. . . This action will benefit the consumer and insure to the manufacturer a better and more profitable business and may enable him to lower his prices.

TRADE - MARKS.

In order to obtain the advantage of one's good will and reputation, it has long been the custom to affix to goods employed

in a particular trade or business, some particular mark, to distinguish such commodities from similar goods utilized in the same business. Broadly speaking, such distinguishing marks are trade-marks, and their use has been wide-spread in all countries since ancient times. A trade-mark may be defined as a name, symbol, or device which is applied or attached to goods offered for sale in the market so as to distinguish them from other commodities.

In addition to popularizing products, the trade-mark also enables articles to be sold at a higher price than rival goods, and at the same increases the volume of the sale on account of the unconscious prejudice created in favor of these articles. Some trade-marks are valued from \$1,000,000 to \$5,000,000.00 as assets to business concerns. The value of the trade-mark can be shown especially in the consideration of manufactured articles. The average jobber, retailer and salesman, are their means of distribution. The trade-mark is the manufacturer's declaration of independence. By advertising direct to the consumer he creates a demand for his products, which the jobber, wholesaler, retailer and salesman must recognize or lose custom.

SUBSTITUTION.

Despite the value of a trade-mark or kindred symbol, advertisers of certain lines of goods often lose large sums of money on account of the dishonest practice of substitution. Substitution tends to lessen the value of an article and to lower it in the estimation of the purchaser. He is assured that the substitute is

just as good, if not better, and besides cheaper. The dishonest dealer suffers loss of business for offering substitutions for standard articles, the public discourages this practice more today than ever before, and the advertiser loses much of the business legitimately belonging to him by such methods, which are becoming less popular and less practiced.

INSPECTION AS AN ADVERTISING FACTOR.

The evils of substitution will be partially overcome when the public can be induced to inspect useful and honestly represented articles. The manufacturer may offer to submit his goods for inspection, and even send them on trial, but there remains an indifferent attitude on the part of the public to overcome. Advertising is the force which influences the retailer and consumer to inspect goods; and a previous knowledge of such goods secured by advertising is a strong factor in securing inspection. Until the public can be induced to inspect goods without the personal influence of salesmen, the more economical methods of inspection--and the advertising value of those methods, will remain relatively inappreciable. It seems, however, that an increase in the importance of inspection may be expected as a result of educating the public through publicity.

PSYCHOLOGY OF ADVERTISING.

The study of advertising from a psychological standpoint has resulted in the same conclusions concerning advertising that have been reached by practical advertisers. Prof. Walter Dill Scott of Northwestern University was the leader in the psychological study of publicity and he offers six principles as a result of this special study. These principles are of value to every advertiser and are recognized as true business principles.

(1) The first principle is that the power of any object to force itself into our attention depends upon the absence of counter attractions.

(2) The second principle is that the power of any object to attract our attention depends upon the intensity of the sensation aroused.

(Note. Professor Harlow Gale, University of Chicago, believes red is of the greatest attention value, black, second; and green, third.)

(3) The attention value of an object depends upon the contrast it forms to the object presented with it, preceding or following it.

(4) The power which any object has to attract our attention or its attention value depends on the ease with which we are able to comprehend it.

(5) The attention value of an object depends on the number of times it comes before us or on repetition.

(6) The sixth and last principle is that the attention value of an object depends on the intensity of the feeling aroused.

THE ADVERTISING MAN.

The application of the psychological and other business principles to advertising usually falls to the lot of a specialist, commonly called the advertising man. There are now over 100,000 advertising men in the United States. There is not a city with a population of 5,000 and upwards which has not from one to one hundred or more advertising men. New York has 5,000 and other large American cities from 1,000 to 4,000 such men. It is estimated that these men receive from \$500.00 to \$15,000.00 a year, but salaries above \$3,000.00 are rather the exception.

The advertising man is the business factor, who brings the proprietors of a store into communication with customers. They learn the attitude and needs of the customers and proceed to apply their information by attracting patronage to their employers. Their knowledge of conditions, special training and ability to produce results in the shape of increased business, makes them an economically justifiable factor. The application of advertising principles by a specialist produces results at a least possible waste of space and expense. The business man, on account of his general duties of superintendence and direction of his business, cannot develop into an expert advertiser and systematically apply his methods.

Because a specialist can obtain better results at less cost to the business man he becomes an advertising factor and one of the advertising forces.

OBJECTIONABLE ADVERTISING AND REMEDIES.

LEGAL RESTRICTIONS.

The development of advertising has been almost unrestricted in the United States, but there have been frequent demands for reform through legislation. This reform movement has for its object the suppression of fraud, the protection of citizens from moral and physical injuries, and the prevention of desecration of Art and Nature. The protection of the citizen against fraud is now one of the vital questions of interest in advertising. The great financial losses due to misrepresentations of enterprises have resulted in the ruination of many investors. "Wild-cat" schemes of various kinds have been floated with impunity and have been successful for the shrewd advertiser on account of the many responses he receives. The United States Government through its postal department has undertaken the task of investigating and suppressing all fraudulent business concerns it can learn about. The department investigates the business whose advertisements are suggestive of fraud. Complaints sent to the Postal Departments about the

illegitimate use of the mails by business firms are likewise investigated. If the inspection warrants it, the department issues a fraud order and the business is denied further use of the United States Mails. The absolute power of the Postmaster General's assistants in this matter has led to a number of abuses. Congress has been asked to place restrictions upon it. The companies now do not have a right of appeal to any other authority. The remedy suggested is an appeal to the courts, which shall pass upon the merits of the case after the business men concerned have been given a hearing.

Congress would also do an act of great benefit to honest advertisers and publishers if it would require circulation claims to be made at stated intervals by publishers, and further compel them to keep a uniform system of circulation accounts open for inspection, by interested advertisers. With the circulation statistics more available, cases of intentional mis-statements of circulation should lead to conviction on charge of fraud, and a return of all surplus money to the advertiser paid in excess of the regular rate for the true circulation. Each fraudulent advertisement tends to discredit the honest ones and to retard the progress of economical and socially desirable advertising. Advertisements of articles, which can be proved to be injurious to the physical and social welfare of the people, should be barred from circulation through the United States mails, and should be denied space by publishers. State laws should also restrict advertising and protect the public from encroachment upon its rights and property.

The substitution of inferior goods with the assistance of imitation trade-marks in international commerce has resulted in discrediting standard products with natives. International agreements have a tendency to remove this evil in competition, which, however, is still quite prevalent in some countries. True superiority of American goods backed up by a distinct individuality expressed by trade-marks, when entered in foreign markets under proper trade conditions will do much to obviate present commercial obstacles and will cause an expansion of trade.

Even when the character of the article advertised is not objectionable, the method of advertising may be so. The subjection of landscapes, lichened rocks and meadows, as well as the buildings in cities and towns have been subject to dissonant business notes and has aroused serious objections from the public. Nature's works have been converted into sign-boards and everywhere the presence of advertisements is noticable. The indignation felt regarding such conditions has resulted in the formation of societies which ask for the reform of these conditions and appeal to legal authorities for assistance. The Germans have taken the lead in checking undesirable out-door advertisements by means of absolute prohibition, the requirement of official approval of advertisements, and the placing of taxes upon the size and character of the notice. In that country, as in other European countries, a serious attempt is made to regulate the sign evils.

In the United States a few feeble efforts have been reported, but there has been little legislation owing to the general indifference of the public, hence in this country the evil is at its

height. Measures are, however, now being agitated. A system of national or state taxation would tend to restrict the evils of poster and sign advertisements, and official approval would tend to bar the injurious and fraudulent as well as immoral advertisements.

Outdoor advertising when properly conducted, is not considered an evil, and has many valuable points in its favor. Not all advertisements are an evil and there is occasion for encouragement because of their constantly higher artistic and moral tone. The Atlantic Monthly for July, 1904, contained an article by Charles Mulford Robinson, which after discussing the present conditions, was brought to a close with the following appropriate conclusion:

"There is no reason to despair about our advertising. It is simply a great untrained force, needing curbing here; direction there, suppression very rarely, but restraint often; and the provision of a new impulse, a new ideal, as an outlet for the enormous energy, which after an abused license, we would at last keep within reasonable bounds. If this new impulse be worthy; and this great force can be turned towards art and beauty, it will contribute mightily to the production of fairer cities and towns; to an easier, happier life within them, and to self respect and greater interest of all the advertisers. The conditions are favorable, there is a trend unmistakably in the desired direction. We may hope and must believe that the effort will be crowned with victory."

ADVERTISING AND ART .

The favorable conditions for the legal restriction of advertising is partially due to advertisers themselves. The decorative or artistic characteristics of an advertisement is a clear gain over competitors for advertisers who use it. Many advertisers have realized this, and competition within this sphere has caused the public to be educated to higher artistic ideals. Posters and advertisements in publications have educated the consumer to demand an increasing higher standard of advertisements. The artistic ideals of today have resulted from a gradual development. As advertisements of today are sanctioned by the public, their present artistic standard is not specially objectionable to the general public. Twenty-five years hence the reform movements of today will have resulted in a higher artistic standard and a consequent improvement in the decorative advertisements; these improved artistic standard together with proper legislation, will do away with the present evils.

ADVERTISING AND EDUCATION.

Having discussed the progress in art due to advertising, the value of advertising as an educative factor will be considered. The value of advertising is to be judged by the fact whether it teaches those who read them to buy useful or wasteful articles.

One of the direct benefits resulting from advertising has been the education of the public to demand cleanliness and sanitary conditions in the products they buy. Advertising begins and ends as an educational force. It has taken its rank as an economical force and today it has become an ethical force. It is a strong factor in educating people to appreciate greater civilization.

Being a mode of education, the amount of advertising in any particular line varies directly with the novelty of the goods and inversely with the intelligence of the purchasers. The object of publicity in pushing goods is to emphasize quality of goods, and call attention to saving devices, to induce investigation, and to offer arguments based upon sound physiology, and hygiene. Modern advertising educates the desires, tells of the styles of dress, of the foods and other necessities. In lines of competition it does not necessarily deprive one concern of business and give it to another. In special lines it has been demonstrated that advertisements of one company are valuable assistance in the sale not only of that but competing articles of the same kind.

The creation of a demand for injurious products has led to an inestimable harm. Just as far as advertising has diverted the tastes, desires and actions from honest and needful products to harmful ones, just that far it has created conditions, which are a menace to society. But considered from another point of view, it is equally true that just as far as advertising has educated the public to demand **better** and healthier goods, and by creating the demand for them has lowered prices by calling out greater supply,

that far it has done inestimable good for the welfare of man.

This advertising, besides stimulating the industries of the world, tells what is being contrived for man's comfort, in beautifying the person or home. The consumer is glad to receive suggestions which better his conditions and the demand created for articles by means of advertising stimulates industry. The stimulation of industry calls for a high grade of commercial literature. In this literature can be found many examples of keen trenchant and sharply focused English that the printing presses turn out. Advertising also indirectly enables the reader to have a dozen publications, where otherwise he would have only two or three. In this indirect manner it partially supports the existence of many publications, which would be impossible but for its presence.

In conclusion it may be said that advertising informs the prospective purchaser of the merits of different goods and brings him into touch with that which adds to his comfort and amplifies his happiness. The value of advertising from an educational standpoint, therefore, is to be judged by the influence of the advertiser in the manner that he plays his part in teaching the lesson in enabling consumers to become discriminating buyers, or the manner in which his influence encourages an undesirable distribution of income.

THE TEACHING OF ADVERTISING.

Schools, business colleges and universities are now offering courses in advertising in which are offered valuable suggestions and information concerning methods of obtaining the best results from a given appropriation.

BOOKS AND PERIODICALS.

Another method of obtaining practical knowledge about advertising is to read the periodicals and books treating the subject. Some of these publications are very valuable. Others are supported for a special object or as an adjunct to a special business. The value of some of these publications is decreased by the fact that they are subservient to special interests. There is, however, no reason today why the business man cannot obtain much practical knowledge by reading the best literature on advertising.

ADVERTISING SOCIALLY, POLITICALLY AND ECONOMICALLY CONSIDERED.

ADVERTISING AND DEPRESSIONS.

A study of the advertising in publications since the Civil

THE HISTORY OF THE

REIGN OF KING CHARLES THE FIRST

BY SAMUEL JOHNSON, ESQ. VOL. I.

LONDON: Printed by A. MILLAR, in Pall-mall, 1719.

1719. 4to. 10s. 6d.

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war emphasizes the fact that depressions undoubtedly restrict the amount of advertising. The length of the curtailment further rests upon the severity of the depression. The effect of these depressions on advertising is explained by considering their effect upon business. Hard times cause a reaction against loose moral and business practices so prevalent in times of prosperity. Discrimination in buying results. Goods, standardized by judicious advertising, when attractively and skillfully advertised in times of depression, and offered at the best bargains possible, will remain in popular demand and if they are a common necessity. With the resumption of prosperity these goods have a better prestige, and business reputation, which results in a healthy increase in trade.

ADVERTISING AND PROSPERITY.

A long period of prosperity may also reduce the amount of advertising in some lines of business. A manufacturer, for instance, whose business is taxed to its utmost capacity in order to satisfy inadequately a demand for his products, does not care to create more business. He will, therefore, restrict his amount of advertising but will not discontinue his publicity methods. Whenever the supply can be easily furnished, the manufacturer may again resort to larger space and business-producing advertisements. Prosperity, then may cause the restriction of advertisements in order to curtail the demand for the products of factory behind in its orders.

ADVERTISING AND STRIKES.

That strikes have a temporary evil effect on the prosperity of a section or whole of a country is reflected in the fact that like depressions, strikes lessen the amount of advertising. This has been shown in a number of strikes, such as the Chicago teamsters' strike, where public utilities have been tied up. Advertising is, however, employed in quite another way during labor disputes. Corporations have learned that besides the presentation of labor troubles as news matter, it is a wise plan to resort to advertising space. The Interborough Transit Co., of New York in order to win the public to its view of the recent strike, employed such advertising. Two points had to be gained; the tide of public sympathy which might have entered upon dangerous, possibly destructive--phases, had to be turned in favor of the management and against the strikers; and the daily diversion of thousands of dollars into the coffers of its rival organizations, operating the surface lines, had to be summarily stopped.

The precedent set by the Long Island Railway, in using advertising space in daily newspapers to placate its patrons, was therefore promptly followed.

The public was assured that the right was on the side of the railway, upon whom the contest had been forced, since compliance with the strikers' demands would but have been followed by others, therefore the inevitable contest had better be brought to a climax forthwith, seeing that the railway had availed of the

discussional period before the strike was declared to take its precautions. The statement of the strikers, as to the dangerous inefficiency of their "scab" substitutes, were branded as false. Strikers were warned that opportunity to seek reinstatement would be brief. Notice that acts of violence would involve serious consequences was given and restoration to the railway of any of its property in the strikers' possession was demanded.

These terse, masterful announcements had the effect of military orders, reassuring the public, awing the strikers and giving backbone and encouragement to the new employes. It can therefore be stated that the effect of strikes concerning public utilities causes a depression in advertising; while the advertisement of the causes of the strike by the owners of the public utilities will tend to bring the labor dispute to a more rapid termination and to restore sooner the normal amount of advertising.

ADVERTISING AND CRIME.

As a factor in checking crime, advertising has its worth. Many criminals are captured as a result of cards sent to police headquarters in all sections of a country or even to other countries. These cards give a detailed description of the criminal and tell of his crimes. The Chicago American recently devoted a whole page to a description of Frank J. Constantine, a murderer, in the hopes that some policeman or citizen might be able to identify him.

Advertising is becoming a terror to many criminals and is proving to be one of the successful means of maintaining a high degree of protection of the life and property of citizens.

ADVERTISING AND RELIGION.

Advertising is not only used as a deterrent to crime but it is employed by the positive force for good to increase the effectiveness of their efforts.

While still in its infancy, religious advertising is fast becoming an important factor in church life. It is questionable whether a church should advertise just as any other organization and be known by a catchword like a breakfast food or gas company. Rev. Chris F. Reisner, pastor of the Grace M. E. Church of Denver, Colo., who is advertising all over that city "a homelike church" believes that it should. In a letter to the author he writes:

"There is no reason why the church should not be alert as well as a good business house. A number of local churches and in other places are taking the subject up. The most telling thing we have done here is to strike a sort of "trademark" expression that expresses much. It is "A home like church" and is printed on everything. Other churches have followed suit. One is "A down town church for the people," another "A fraternal Church". I use little sign boards above the names of the street directing people to Grace Church. I have a large (about 12 by 16 ft.) sign board near the Public Library. Another down town on a large building covered with

Bill-boards. I am now having a large Electric Sign put on the corner of the church. I would do much more if the money was on hand. I pay all these bills from a special fund. In a year Grace Church became the best known in the city. The 75 Posters put out cost about \$150 but the Curran Company are liberal and made a special rate

Dr. George F. Hall, at one time pastor of the Bush Temple of Music of Chicago, is another preacher, who believes thoroughly in advertising. He recently expressed his views in *Whins* magazine and among other things said:

"The Good Book declares that 'the children of darkness are wiser in their day and generation than the children of light, and nowhere else does this text apply with such force as in the matter of reaching the attention of the masses.

"For several years the cry has been coming up from all quarters, 'Empty pews!' Preachers of all denominations have mourned the decline of interest in their services. But is it wholly the fault of the public? Perhaps the masses have not been advised of the fact that anything is going on in the churches. The theaters are full. But they constantly advertise.

"For years I have made it a rule to contract for space in the papers in the cities where I have preached, and it has paid me abundantly in increased audiences and collections.

The ultimate effect of the campaign depends largely upon the ability and merit of the preacher. If he is sincere and a capable pastor, his personality will be reflected in his sermon,

If it is delivered in an interesting and instructive manner, his audience must certainly be impressed. If they are at first interested, they will probably unwittingly turn to the announcement for the following Sunday at the proper time.

Advertising has undoubtedly attracted many to church, who would otherwise remained away, and while "undignified" has been one of the leading factors in popularizing religious services.

E F F E C T O F A D V E R T I S I N G O N
C H A R A T I B L E E N T E R P R I S E S

The object of this section is to prove that advertising is a valuable factor in the promotion of charitable enterprises. Two instances will be given from which the reader may realize the effect of advertising on charity undertakings. The Christian Herald in raising \$100,000 for the famine sufferers of India used considerable space in other magazines to bring the work before the people. Of the \$100,000 obtained a good part was brought out by the Advertising. The New York Association for Improving the Condition of the Poor last summer made an experiment in advertising for funds in daily newspapers, printing display announcements regarding its work in the New York Sun, Times, and World, and Outlook and other periodicals. The report of the secretary for 1905 among other things was given in Printers' Ink, December 20, as follows:

"To pay for the privilege of announcing social needs and constructive social work seems indeed a hardship. Shall we wait therefore until the newspapers and magazines are willing to allow charitable appeals all the space they need, or shall we buy the privilege of printing what we need, in our own time, in our own language, and as often as seems to us necessary or expedient? That British philanthropy has chosen to advertise is proved by fifty-two insertions in a single issue of the London Times. Desiring to test this method, our association advertised last July and August in the daily papers and in several weekly magazines, the needs of its Fresh Air Fund. The first appeals were inserted in those dailies that had printed the last free appeal. The weeklies printed illustrations. In summer hotels several hundred calendars were placed. The expense of the experiment was borne by a small invested fund rather than by current contributions. For these appeals \$676 was expended. We gained in direct response to them \$2,399 from 245 individual contributors, besides numerous friends who aided through fairs and entertainments. The direct return is larger than could have been expected from the same amount spent in any other form of appealing that we know. The indirect return that the mention of our work for several days it is hard to tell but we feel, in succession during the hot weeks must have reminded many of an intention earlier formed to give something for Sea Breeze. The results lead us to regard the paid advertisement as an effective and economical means of enlightening and interesting hundreds of thousands, whose store of sympathy and aid is never reached by other forms of appeal."

The sympathetic and sentimental side of man is appealed to in another manner when advertisements ask him to contribute to funds for the proper remembrance of American heroes. The conversion of Lincoln's Homestead into a national park was agitated through advertising columns of Colliers' Weekly and other publications.

ADVERTISING AND POLITICS.

Advertising has long been a leading factor in electing political candidates to offices from the president down to a class election at college. The modern method of using advertising for political elections probably dates back to the second Lincoln campaign, when \$200,000 was spent in distributing campaign literature and otherwise informing the people about the republican candidates. The methods adopted in that campaign were pursued until Mark Hanna became chairman of the national executive committee of the republican party. Mr. Hanna inaugurated a complete revolution in the methods of conducting a national campaign. He proceeded to deprive the political leaders and their henchmen from their "easy" money, with which they had promoted their own popularity by being "good fellows". Instead of this manner of disbursing funds he applied business methods to the management of the campaign which placed William B. McKinley in the presidential chair.

MAKING A BIG ADVERTISER--In this campaign he paid advertising rates for Republican speeches, statements, interviews and arguments in Democratic and Populistic newspapers. This was startling in its way. It was work that could not be perceived nor stopped, and it was singularly successful.

This was the first campaign in which the bulk of the money went into books, pamphlets and other printed matter, all of which was sent broadcast throughout the country. The country was mapped off like a huge war map so that every debatable point of ground was thoroughly raked over in the effort to secure votes. Speakers were paid for their services, except those high in the councils of their party who would not accept any remuneration except their transportation and personal expenses, and these speakers were directed where to go with as great care as a general would exercise in marshalling his forces at points of advantage. It was the cleanest conducted and most successful campaign in the history of the Republican party, and from that lesson great changes were inaugurated. The second McKinley campaign was conducted upon the same lines and with similar success.

It is estimated that \$5,000,000 was spent in 1900 to elect Mr. McKinley.

The campaign to elect Theodore Roosevelt in 1904 is estimated to have cost \$500,000. By adopting the most effective and economical methods, Chairman G. B. Cortelyou of the national committee found this sum of money large enough for all justifiable expenditures. Interesting stories of the man Roosevelt and his life,

which appeared in many of the leading magazines and periodical press and a few newspapers were recognized by very few as paid advertisements. About \$25,000 was devoted to these media and of this sum \$7,000 was spent with Colliers' Weekly. Twenty-three other publications were used among them then being: Ladies' Home Journal, Delineator, Century, Harper's, Scribner's, McClure's, Everybody's, Munsey's, Review of Reviews, World's Work, Success, Saturday Evening Post, National Magazine, World, To-day, Metropolitan, Cosmopolitan, Outlook, Harper's Weekly, Leslie's Weekly, Leslie's Monthly. It is said that even the state and national campaigns of 1904 mustered a grand army of 60,000 speakers at an approximate expense of \$8,000,000, and that in addition to the methods explained in Mr. Cortelyou's letter, millions of campaign buttons, lithographic portraits, banners, and flags, of all sizes were distributed.

In addition to the national advertising campaigns gubernatorial candidates have found advertising to be valuable factors in gaining for themselves the governorship.

Ex-Governor W. L. Douglas, the manufacturer of the famous Douglas shoe, perhaps furnished the most striking instance of political success, obtained by publicity. He was the first Democrat who has been elected on his first candidacy to the governorship of Massachusetts in thirty-five years. President Roosevelt carried the state of Massachusetts by approximately 100,000 majority, while Douglas, a Democrat, won the state by a majority of 35,000. Double column newspaper pronouncements of Mr. Douglas'

views on reciprocity, the tariff and trusts were placed in all Massachusetts newspapers carrying Douglas shoe advertisements.

Six color posters emphasizing six different stages of his career, and his popular views on the labor question were placed on a considerable space of the bill-board area of the state. The attempt of the Philadelphia ring to retain its power caused it to spend \$30,000 for advertising purposes the last six weeks of the campaign, in which Mayor Weaver and the Reform element were victorious.

Instances of the influence of advertising on political campaigns could be mentioned almost without number, but they only substantiate the statement that politics is now influenced largely by advertising.

To W. L. Douglas advertising would have been no loss had the governorship gone to his republican rival for his shoe business greatly increased as a result of his political undertaking. The success of Ex-Governor Douglas has brought up the point if newspapers should be permitted to sell their space for a cash price. The people of Michigan thought not and a measure was introduced in that state which proposed to prohibit the publication by newspapers of said advertising for candidates for nomination. People of the state believe such a policy is too much like buying of votes

The intelligence of the people today enables them to discriminate more than ever before between personalities, to distinguish the ability and principles of the candidates, and to com-

prehend their past records. With citizens thinking for themselves, newspapers are the logical media, for explaining the platform and reasons why candidates should be elected. Advertising and politics at present seem to be on the dawn of a period in which the politician will lose his great power, and the people will rely upon the candidates to explain their principles through the advertising media, and will hold them accountable for their promises thus made.

A D V E R T I S I N G A N D T H E T A R I F F .

The small per cent. of foreign advertising in the United States and other countries, ^{which} have highly protective tariffs is due largely to the existence of such tariffs. Advertising is justifiable on account of its value in producing commercial intercourse. High protective tariffs tend to destroy freedom of international commercial intercourse and thus it is a detriment to international advertising. William Stead, Jr., an advertising authority of London recently sized up the attitude of Englishmen towards advertising in the United States as follows.

"The high protective tariff of the United States has been a serious obstacle in the British advertising path in the United States, and in no country is advertising more largely practical and more essential to the success of a business.

The effect of the formation of monopolistic combinations upon the amount of advertising is not easily determinable.

It has been claimed that advertising which reflects the

competition among sellers, must inevitably decline upon the formation of trusts. It was also thought that the cost of marketing goods would be lessened as competition was removed. The questions which confronted the trust have been, "Just to what extent will it pay to advertise?" "Is a liberal policy better than to reduce our appropriation to a minimum?" The answer for the first question has been worked out in some cases. The trust has found in some cases it pays to increase rather than decrease its appropriation.

This fact is well illustrated by considering the department store, which resulted from the organization of independent stores into one large business under one management and one roof. The trust in its special line organizes all the independents producing units into a combination under one head.

The effect of organizing the department store was a great impetus to advertising. The small independent business men in the larger cities could not buy the space in the newspaper and were unable properly to advertise their goods. The concentration of the business, therefore, resulted in the undertaking of advertising on such a scale that many modern department stores now depend upon their advertising for their existence. Had the small stores remained in vague present commercial conditions would certainly have been radically different and less advanced; and while perhaps less economically complicated, would have proved a hindrance to the development of the systematic and economical trade policies of today.

The same tendencies which produced the department store

brought about the formation of the trusts. The organisation of the trusts has had a different effect on advertising. Such staples as sugar, kerosene, tin plate, produced by a large outlay capital have not thus far figured extensively in any advertising campaigns. This is not saying, however, that the demand for these staples and many others, could not be greatly increased by the judicious application of publicity pills. Advertising is regarded as the best method for increasing consumption and the trusts should be able to use it to the greatest advantage.

Beyond the point of diminishing returns the trusts find it unprofitable to increase their advertising appropriation or to reduce the price of their products. To lessen the appropriation or to increase the price of their commodities would also yield them a smaller net return on the appropriation. To find this marginal point is the aim of all trusts. It may never be exactly located but there will be a tendency to approach it. It is apparent therefore, that the advertising expenditures of some trusts have increased the past few years, while others may have decreased.

The fact that with few exceptions articles may be found, which can be substituted for the trust products, leads to a more liberal publicity policy. Independent companies are also a thorn in the side of the trusts and they are obliged to consider them in marketing their goods. The trusts may also have an article on their hands for which there is no particular demand. A liberal publicity campaign they find, will enable them to launch the article and to increase their revenue by the created demand for the article.

It will be of benefit to the public should the trusts discover their net profits are greater at the lower price and increased display space.

Who pays for the trust advertising? It may be the trust, the consumer or both. The trust in order to insure itself against competition may lessen its profits sufficiently to overcome the loss due to advertising. The consumer in that case, perhaps, pays no more for the article than he did before the foundation of the trust and often not as much. If the price of the commodity is lessened on account of larger sales and greater output the consumer is willing to pay his share of the expenditure for advertising, while the trust is willing to do the same thing in order to secure greater net profits.

To sum up: There is a marginal point in advertising for trusts, which tends to determine the amount of the publicity appropriation. Fear of competition, the promotion of the articles or products of the trusts, and the evils of substitution, cause the trust to be more liberal with its expenditure for advertising than it might otherwise be. This liberality influences them to pay part of the advertising expense and thus to lighten the consumer's burden.

P R O D U C E R A S A N A D V E R T I S E R .

According to Printers' Ink of March 21, 1905: "The middleman, the jobber, is being more eliminated, and the producer

is going direct to the consumer. This would have been practically impossible without the modern use of printers' ink."

A direct appeal to consumers is now being made more than ever before and there is a tendency in some certain lines of business to convert the retailer into a mere agent. This fact has caused those affected in certain trades to protest in vain against such tendencies through their trade-journals. There can be no doubt that the direct advertising method between the producer and consumer has been a wise move for the producer. This movement reduces the profit of the middle-men to that of an agent; and the producer can therefore sell his goods at a minimum price instead of having two or three retailers obtain good profits at the expense of the sale and popularity of the article. The producer with an adequate business organization, can often handle the products by advertising directly with only one middle-man, and can control the price of the article. Advertising enables the seller to create a demand for his goods, which the retailer must notice and supply, despite the fact that his profits are merely those of an agent handling the goods. Jobbers also must secure profits and the best profits for them are usually in those goods for which there is the greatest demand.

Calkins & Holden's in "Modern Advertising" published in December 1904, briefly summarized the present situation as regards the distribution systems as follows:

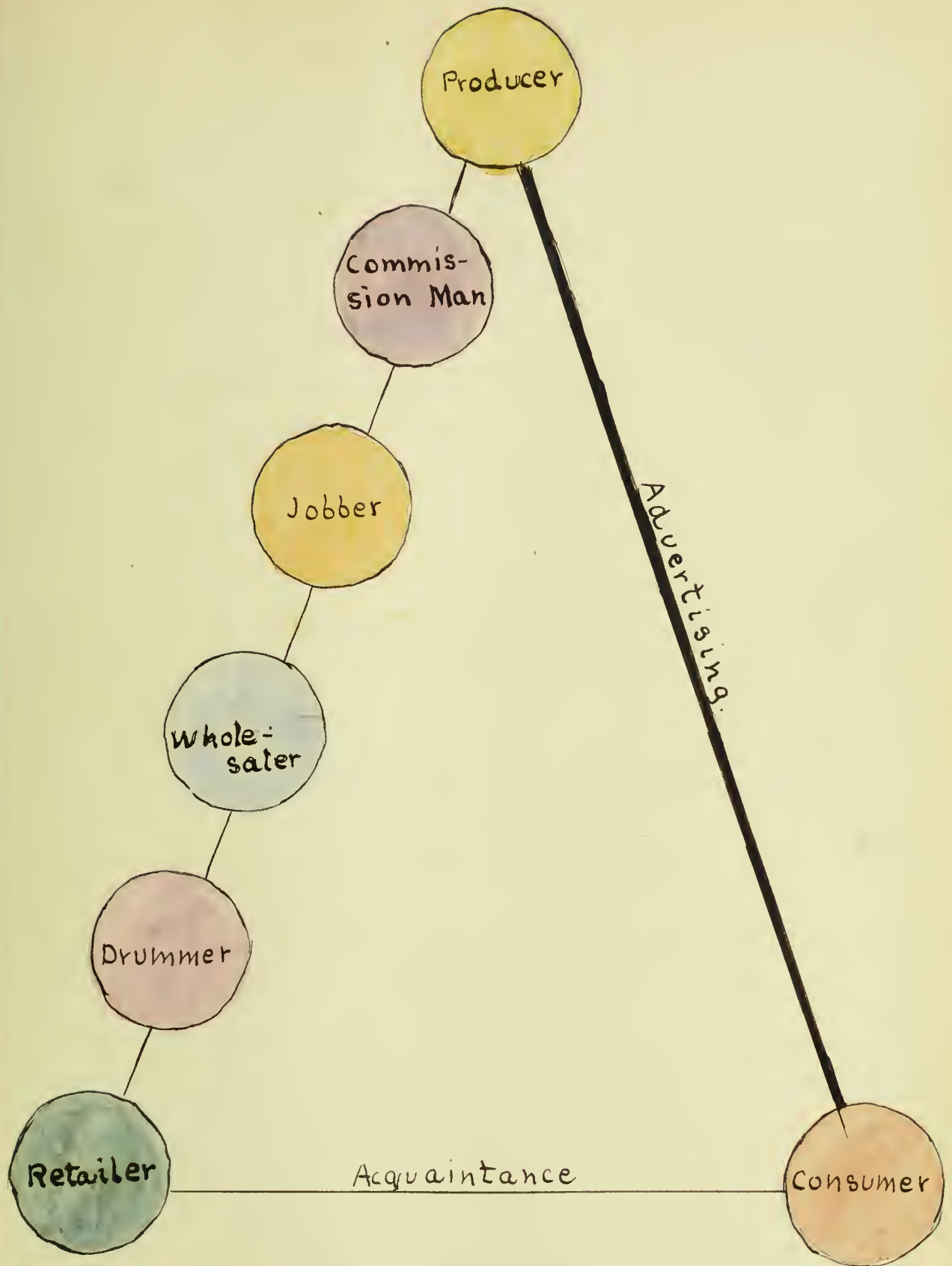


DIAGRAM DRAWN FROM CALKINS AND HOLDEN'S
BOOK ON MODERN ADVERTISING.



184-109

When the United States government establishes a parcels post system, when the producers begin to make it a universal practice to depend on their own, not retail advertising, the demand for their goods will increase rapidly. Middle-men will be obliged to handle those goods at a small profit for two or a normal profit for one middle-man. The parcels post system in some cases will entirely eliminate the middle-man (except the United states Mails) and produce the condition graphically illustrated by the diagram taken from "Modern Advertising."*

Without the parcels post system however, there usually must continue to be agents such as the retailer, or a producer's of jobbing department as a branch of his business.

E F F E C T O F A D V E R T I S I N G
O N T H E J O B B E R

Thus advertising by means of a trade-mark has resulted in the creation of a demand for those goods thus advertised by the manufacturer, who properly assumes the work of educating the desires of the consumer for his articles unstead of leaving it to the jobber to do so, as was more extensively done until the past quarter century. Mr. Calkins says: "Eliminating the jobber as an advertiser means simply eliminating an attribute, which never did belong to him, and which he cannot in justice to himself, undertake, and that is the attribute of creating a demand for

any line of goods. He is a part of the distributing machinery, and a very important part, and you can safely depend upon it that he will always carry in stock the goods for which there is a prompt and steady demand, and that such a demand arises from proper advertising more than it does from any other one thing."

SOCIAL JUSTIFICATION OF ADVERTISING.

The social justification of advertising lies in its power to create a higher standard of living and its effectiveness in assisting to reward members of society for their attempts to better its welfare. The important effect of advertising on the political, industrial, social and religious habits of members of society have been suggested. While these important results are of much significance, the object for which advertising was called into existence was to obtain a more rapid, equitable and economical distribution of goods. The increasing incomes, diversified wants of society, together with modern financeering, industrial methods of production and complicated transportation services, have assigned to advertising an important part in distributing constantly increasing supplies. The increasing importance of advertising has been dependent upon the development of large scale production and modern methods of communication and transportation; while markets for the greater number of commodities consumed were local, advertising necessarily remained insignificant in amount and crude in quality. With the progress in manufacturing came the recognition of the necessity of creating demand for new goods and increasing the demand for old products in order to bring individual plants under the law of increasing returns. Instead of being produced largely for local consumption, many commodities are now manufactured for a national or world market. National distribution is dependent upon introducing commodities and

informing members of society about their quality and upon what conditions they may be secured. With the assistance of transportation and enlightened methods of production, advertising adapts these products of society in the best manner possible to public needs and demands. It tends to convert an aggregate of local communities into a system of distributing units. When completed, this system effects a ready distribution of goods to all places within the boundary of its operation. If tariff barriers are removed the boundaries of the system may be extended until they become international in character. The ideal is attained when demand responds quickly to the call of supply. Attempts to restrict trade, to produce artificial prices and to defraud the public will then be subject to a response by supply furnishing the desired commodities from a new source, at the normal price and of the social standard desired.

When this standard is **obtained** advertising will be more necessary than ever, for it would act as messenger for demand.

It is true that whatever the future prospects for advertising may be, its usefulness is not yet fully realized. It must continue to act as an important factor in educating the consumer and reaching him in the most effective manner. The existence of wars, commercial and industrial disturbances, dishonest and dishonorable business men, all offer additional obstacles to progress which may be partially overcome by advertising.

As can readily be realized, the existence of war retards progress, and commercial and industrial disturbances check distribution and production. The presence of dishonest and dishonorable

men in business places the responsibility upon honest advertisers of educating the consumer to discriminate against the inferior goods and dishonest practices of rivals. ✓ Advertising fulfils this special mission when it makes possible intelligent comparison of the inferior goods with those of the standard articles. If it can be made to do this, members of society are told at the earliest possible moment of the works of inventors and their new productive methods. These inventors are rewarded almost immediately by society if their products are worthy of its consideration and adoption. The productions become standardized. Competition as partially expressed in advertising, will tend eventually to reduce the price of such inventions to the normal scale. ✓ The lower price of the goods enables members of society to satisfy more of their wants and thus to maintain a higher standard of living. ✓ Competition of goods, therefore to effect continued progress in invention and the most economical satisfaction of social wants, will involve advertising if it is to create a better standard of living. Until some substitute can be found to take its place, until all members of society are possessed of universal intelligence, advertising cannot be dispensed with.

The conclusion of this chapter, therefore, is that in addition to being justifiable in civic, political and religious life, advertising may be justifiable as a factor in economical, industrial and social progress because it makes better citizens by establishing a higher standard of living, increasing the real wages of consumers by offering superior goods at lower cost, and by revolutionizing the tastes and habits of society in order to adjust them to the latest

discoveries for the betterment of mankind.

SOCIAL WASTE IN ADVERTISING.

While it is true that advertising may be a powerful factor in distribution when carefully and intelligently directed, it is also a fact that a large part of the expenditure for this purpose is spent in a desultory manner along lines that even a gambler would despise for lack of justification. Because of this fact a vast proportion does not yield sufficient returns to make the investment a paying one and may assist in causing business failures.

Prof. Haynes in Volume IX, Page 437, Quarterly Journal of Economics, estimates that ninety per cent. of all business men fail. Other statisticians in studying the causes of these failures learned that seventy-five per cent. of all business enterprises advertised have resulted in failures, and further that ninety per cent. of all publicity matter handled by advertising agencies were not a success. Even though this advertising of an article may prove profitable to an individual producer, it may be a loss to society for its success may retard the progress of a more desirable article capable of raising the standard of living. It must further be realized that when advertising is used to introduce or increase the sale of an injurious and worthless article, when it influences the public to an undue expenditure upon a good article, when it serves merely to direct existing demand into particular channels, advertising is

a social waste.

Opponents to advertising as now practiced argue that it does not increase proportionally the supply of any class of articles; and that the expenses incurred in marketing them cause an additional price to be placed upon the goods. A recognition of this enormous waste has led some authorities to a discussion of the advisability, theoretically, of eliminating advertising and to cause the substitution of some other educative factor. However useful an article may be, if it cannot be shown to be absolutely necessary for better social welfare, and accomplishes a result it alone can accomplish, it is superfluous and ought to be dispensed with. They also claim that any goods consumed beyond what is absolutely necessary to maintain a high social standard is a waste. They assert that advertising does not discriminate in the grades, class or quality of goods that it is desirable society should consume in order that the development of consumption may harmonize with the rules of social progress.

Patent medicines have long been one of the most widely advertised products, and today almost one-third of newspaper advertising space is devoted to these proprietary products. Many of them are of no curative value and some are deleterious to health. This general prevalence of the use of patent medicines has been ascribed to the liberal use of publicity.

Instances where advertising affects moral, political and social life in an opposite direction to that described in the chapter on "The Social Justification of Advertising" can be found easily upon an investigation of present conditions. One example,

however, will be sufficient to suggest a development of the evil influences of advertising. It is commonly claimed that publishers are unduly influenced by advertising patronage, and that the policy of many publications, newspapers especially, are dictated by the advertisers. The publisher's stand on the patent medicine evil is offered as one of the grounds for assertions made. To sum up this chapter: It seems proper to say that the opponents of advertising can offer a large number of arguments against its utility, which arguments detract from its value as a social factor and lend doubt as to its utility even under present social conditions, because of the many evils that have arisen in connection with its use.

CONCLUSION.

In the last chapter arguments were offered to prove that advertising carried with it a vast amount of waste and numerous evils. The object of the compromiser in advertising is to avoid the wasteful use, but to retain its beneficial features. It must first be borne in mind that while there may be an individual waste in advertising, it is possible to have a social gain. The creation of utilities adds to the wealth of the nation, but the character of these utilities determines their value from a social standpoint. The susceptibility of advertising to abuse cannot be disputed but there is no line of human endeavor of which a similar statement cannot be made. The indifference of the public with regard to goods of questionable social value and its excessive use of certain commodities to the exclusion of others more preferable or equally valuable from a social standpoint, have permitted an unwholesome distribution of social utilities. The looseness of methods which has existed in business transactions has been paralleled in carelessness of consumers in their choice of commodities. The manufacturers and merchants producing articles of doubtful merit have flourished owing to this indifference. Injury to the physical and mental welfare of society as well as losses of large sums of money have also resulted from the careless attitude of the consumer. It is therefore the duty of the consumer to discriminate between good and evil products, to learn of the conditions upon which goods of superior qualities may be obtained, and to try to determine

their social value. The effect of advertising should be to create comparison and to bring about a discrimination as to goods with merit as the basis of discrimination. When the consumer will do his part the final test of the success of advertising will be the merit of the product from the point of view of social welfare. The price and quality will aid in the decision of the merits of goods of almost equal social value. The expenditure of a billion dollars annually in order to cultivate the people's **minds**, so that they will adopt a higher social standard, seems to be too great an outlay for the object to be attained. The remedy lies in educating the consumer to appreciate more fully the advantages of a higher social standard. Until this is done, it seems that injurious products **and** business practices will bear fruit, and cause honest advertisements to be discredited to a certain degree. The loose business practices, however, would result in a large waste were any other educative factor to be introduced, so it seems that the proper regulation of advertising is the solution of the problem.

Conditions are gradually being made more favorable for the honest advertiser having a product of social merit to offer. There is a feeling that the buying of advertising insures a certain standard of product. The public is ever ready to accept those articles which are manufactured under superior sanitary conditions, and are for that reason of greater social benefit. An article advertised as containing healthy ingredients is quickly given a trial, but the test of its continued popularity is its merit and its power to fill permanently a social want. The large number of



business failures is due partially to a failure to recognize these social truths. The number of producers who advertise articles of merit and satisfy some unfilled social want for the betterment of society is constantly increasing but there is a question whether the advertisements of these articles are not harmful in diversifying established wants. Sane persons advocate the simple life and believe that the advertising of all articles not needed in the pursuits of a simple life should be eliminated. To these people there is a social waste "in wearing silks and bright ribbons when homespun or calico would insure the same purpose from a utilitarian standpoint; there is also a further waste in ornamenting and decorating our homes when less pretentious and more severely plain structures would answer all the purposes of shelter." * To these people advertising which educates the human mind to appreciate the value of handicraft of a highly developed industrial and social organization is wrong. The average person will not call for a radical return to the conditions of primitive life. The present standard of living is regarded as the highest in the history of the world. There is more intelligence and the general health and moral life of the public is better than ever before. Social wants are more numerous and are constantly increasing. Advertising offers a means of introducing commodities which will satisfy these wants, and is continually adding to the satisfaction of mankind by announcing some new product. That advertising should be restricted only as it gives publicity to those articles which produce a harmful effect or satisfy no new desirable want, seems to be the

* Personal letter from John Lee Mahin.

sane attitude in view of the great increase in wealth and modern industrial and social conditions.

Producing an article whose merit is established, advertisers often waste large sums of money in attempting to market their products by casting their seed broadcast, little knowing where it will fall. The superfluous amount of advertising of competing articles causes a decided loss in some business enterprises, while a dearth of publicity in others causes failures. A large percentage of financial losses in advertising is due in part to the injudicious methods. The careful selection of media is always one of the first considerations. For local purposes the newspaper enjoys a value unapproached, while in a general campaign it is supplemented by the magazine, which is essentially a general publication. Because of its special constituency the magazine enjoys almost as select a clientele as does the trade and technical journals sometimes regarded as the ideal media. The follow-up systems must be persistently and judiciously carried on to insure the best results, and they serve well as a supplement to the periodicals and newspapers. Bill-boards are the "brass band" of the campaign, while street-car signs are a very good media for general publicity. First class window displays are one of the essentials in procuring maximum returns. Many other media discussed elsewhere have more or less value for the advertiser. Unless he has a small or extremely large business it will pay him to place his advertising campaign in charge of a well-established, perfectly responsible and reliable agency. The best in the advertising business is the

cheapest.

The advertiser must adopt other than the "one-insertion" policy. Sixty percentage of advertisements are only inserted for one time and many others for only a few times. This lack of persistency causes advertisements to be discredited and is not to be considered as a good business investment. Other advertisements are so poorly written, so inartistic in typographical and general appearance that they attract little notice. Unseasonableness, inappropriate illustrations, sudden changes of tactics in a campaign and poor composition are explanations of the ineffectiveness of much advertising. The trade-mark gives added value and distinct personality to a business, insures it to a certain extent against unlawful substitution, and becomes a much-desired asset capable of financial reckoning. To obtain desirable results it is necessary to observe psychological principles and business rules in making public the virtues of any commodities. Advertising societies extending from international in character to the local sectional organizations, are of service to advertisers because they offer valuable information, which assists him in conducting a more intelligent campaign.

The agency and the advertiser are the two forces which have it in their power to compel the publisher to raise his standard of advertising and his business methods. The exclusion of harmful and injurious, as well as fraudulent advertisements from his columns would greatly reduce the amount of social waste and the evils resulting from modern publicity methods. Correct circulation

statements would also materially lessen modern publicity appropriations.

The exclusion of harmful advertising from the United States mails, bill-boards and other media, as well as federal or state laws prohibiting fraudulent enterprises conducted with the assistance of publicity, ought to become a reality. Public sentiment and the regulation of bill-boards and signs by means of taxes, government supervision and censorship by the bill-posters' associations would soon create a higher artistic standard for poster advertisements.

The recognition of the close relationship between advertising is leading to more intelligent efforts in improving the quality of advertising standards. The standard set by the public determines the relative excellence of the advertisements, so higher artistic ideals mean a higher class of advertisements.

Advertising has effected much in raising the standard of living of the people. Excellent books and periodicals have taught the merchant and manufacturer how to advertise more economically. The union of merchants into commercial organizations have also enabled the business man to reduce materially some of his direct and indirect publicity expenses.

Besides being an important factor in distribution, we find advertising assisting in terminating strikes, apprehending criminals, converting sinners, raising funds for charitable enterprises, and electing politicians to office. High tariffs are a hindrance to advertising. Industrial combinations have not been able to

reduce their expenses for advertising as was at first prophesied. As an advertiser the producer becomes more independent and takes away from the middle-men a function which never properly belonged to them. The middle-men then become agents and their profits tend to be reduced to those of an agent handling goods. These middle-men, especially the jobbers, will always be a part of the distributing machinery and will carry in stock the goods for which there is a prompt and steady demand. Such a demand will depend in part at least upon the producer's advertising.

The social justification of advertising lies primarily in its distributive functions, yet it has produced social, political, economical and industrial effects, which are embodied in a higher standard of living. The vast sums of money wasted for publicity purposes calls for the regulation of advertising and proper remedies suggested in this thesis would reduce very materially the social waste in advertising. This waste is due largely to loose business methods of this country and the indifference of the public to fraudulent methods, and its lack of discrimination between socially desirable and undesirable products. N. C. Fowler, a noted advertising authority once said: "When we become civilized, and true economy is practiced and waste is reduced to a minimum, there will be little business conducted as business is now conducted, and consequently very little commercial advertising."

Until this condition is approached the social justification of advertising will lie in its power to influence human life, to create a better standard of living and to facilitate distribution of

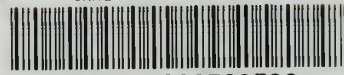
products in a most economical and desirable manner. Reforms in methods will probably give advertising added recognition as a factor in business, will insure the advertiser full return for his expenditure, and will tend to bring supply and demand into such close relation that a demand for an article will meet with a ready supply. Advertising, now an ~~un~~restrained force, must be developed by proper regulation into an important factor in the process of distribution, whose social justification will be unquestioned because its methods will insure a discrimination against injurious or useless products.

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